ANTOFAGASTA PLC

2022 BMO Conference Presentation

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Chief Executive Officer

28 February 2022



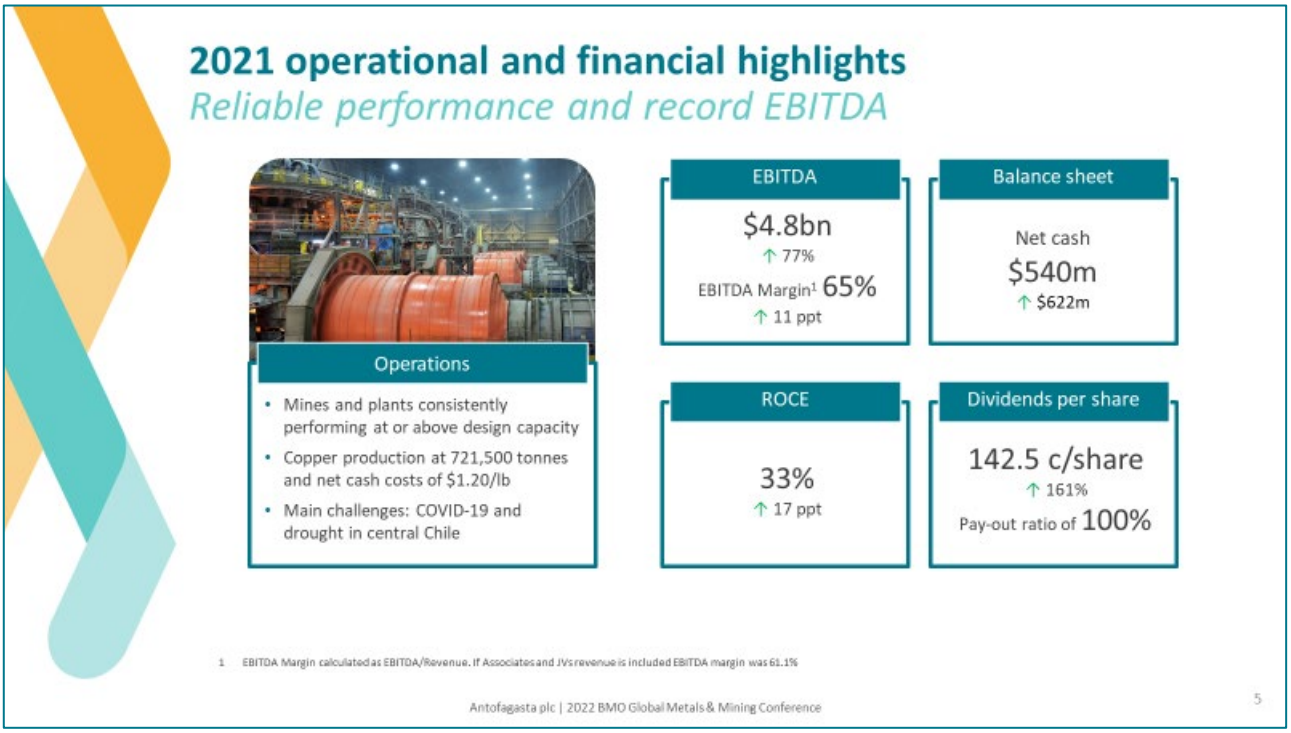
- Thanks for the invitation and for organizing this conference.
- It's always great to be here, especially now, and I hope this is a sign that we are moving to combining the benefits of digital connection with direct person to person interactions.



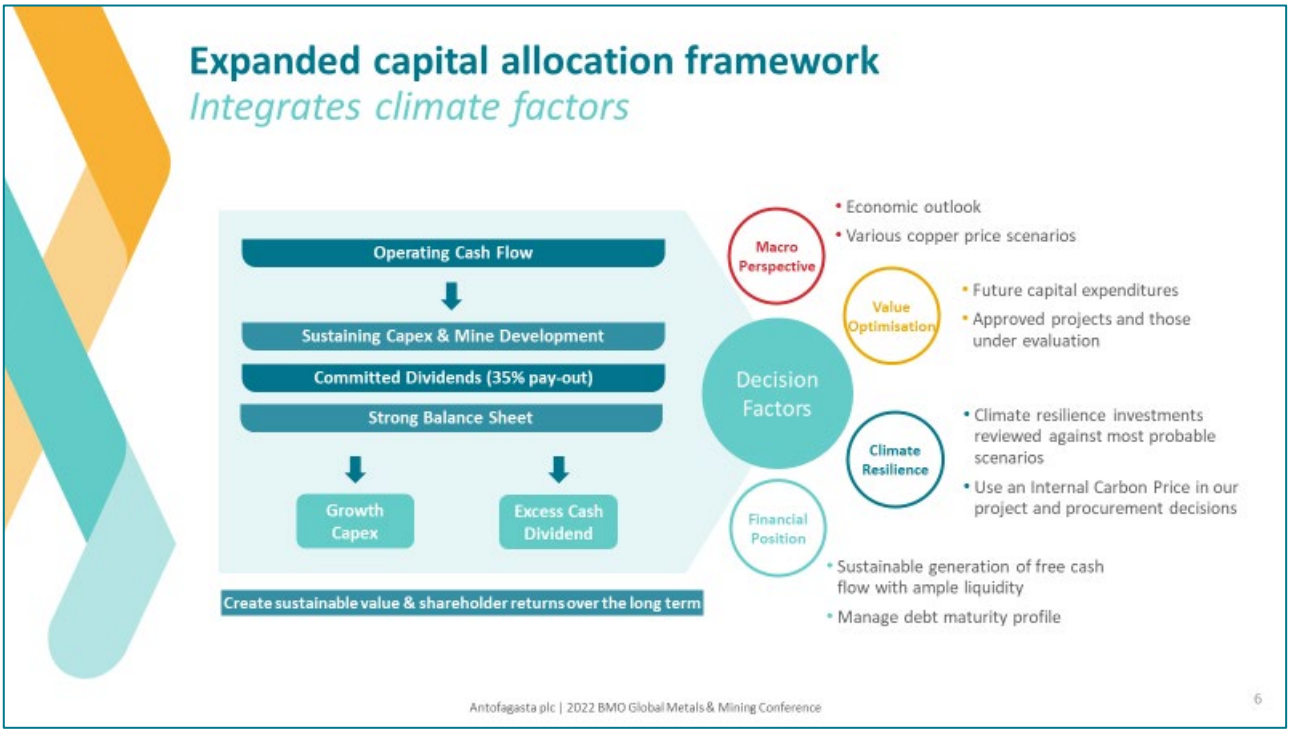
- Let me start by pointing to our Purpose.
- This encapsulates what motivates all of us at Antofagasta and goes beyond the day-to-day tasks that everyone is expected to do in their specific roles.
- As a mining business, we work to produce metals for the benefit of all, by responsibly and safely mining metals that are essential for modern society, while at the same time providing economic and social development opportunities.
- This concept has been shown to be particularly important during the last years. With the pandemic requiring even greater levels of collaboration to address common and collective challenges.



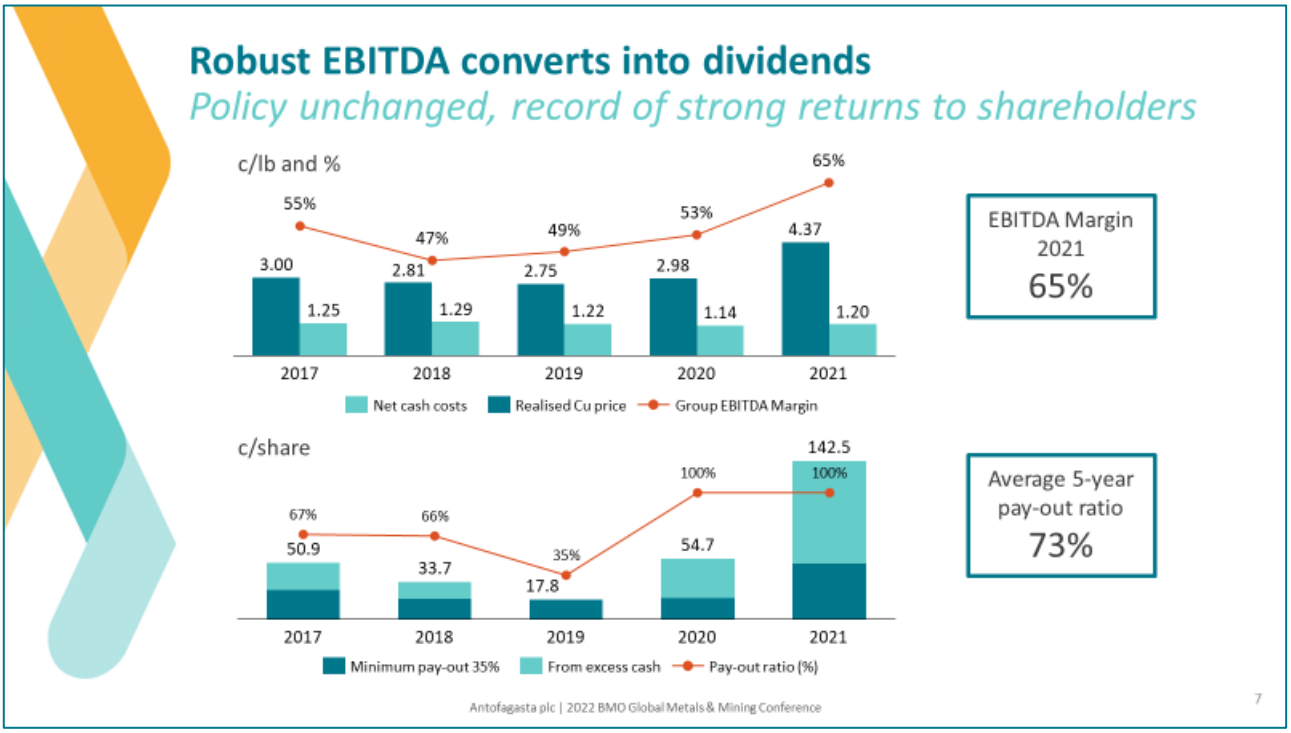
- We remain committed to safety, which is our top priority.
- We are taking many actions to develop a resilient safety culture. This is supported by rigorous risk assessment and permanent supervision of all critical tasks, and an open and transparent reporting so as to understand all our unwanted events, and in particular those that could lead to High Potential Incidents or HPIs.
- As a result, we are emphasising the reduction of our HPIs as a key leading indicator.
- COVID has continued to impact how we run our operations and projects but with our preventative controls and the very high level of vaccination rates, now above 95% including our contractors, this impact has not prevented us maintaining continuity in our operations and from meeting our production and cost targets.



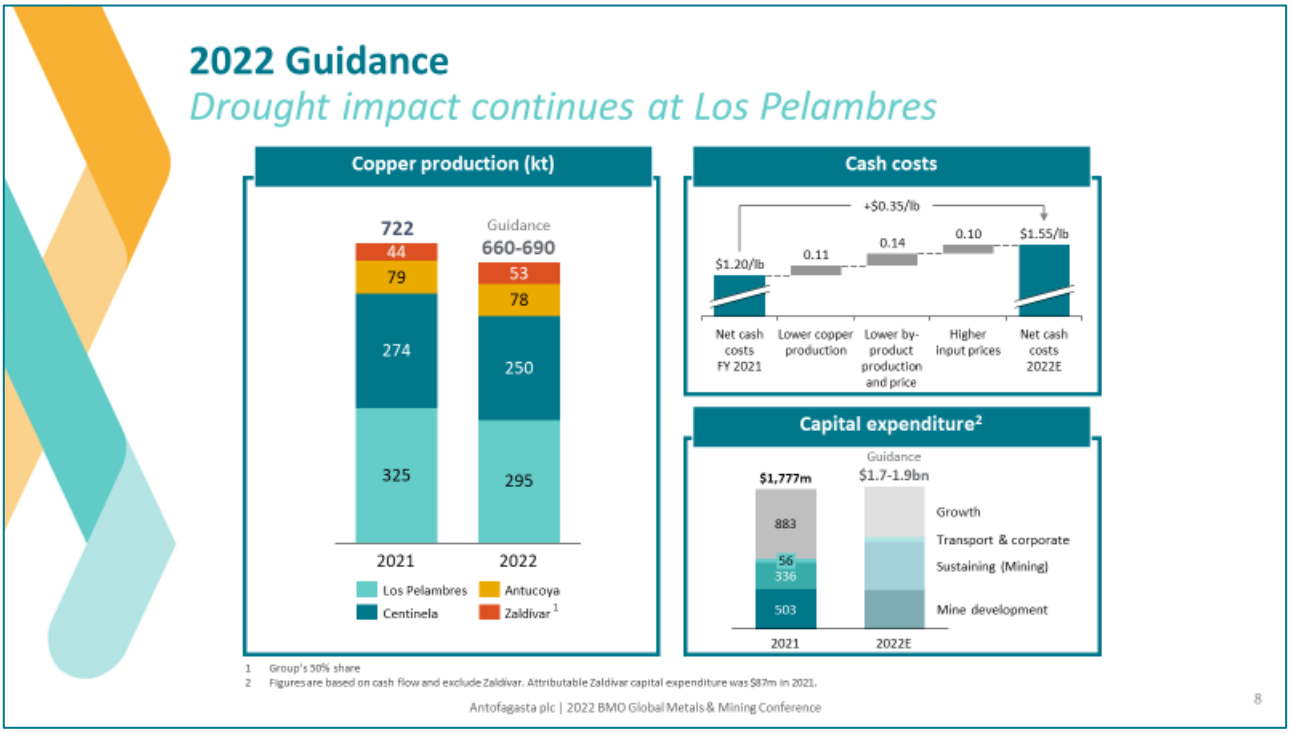
- Just a quick overview of our performance in 2021.
- During the year our mines and plants performed reliably and as planned with our key facilities at Pelambres and Centinela operating at, or above design capacity, impacted only by the continued drought in central Chile which is a temporary condition as we complete construction of the desalination plant at Pelambres.
- We are proud of our achievements, especially in the face of the challenges of COVID-19.
- We successfully achieved our production and cost guidance for the year with copper production of 721,500 tonnes at a net cash very competitive cost of $1.20/lb.
- Supported by a strong copper price, our EBITDA increased by 77% to $4.8 billion, a record for the Group, with an EBITDA margin of 65%, which is 11 points higher than in 2020, and our solid cash flow from operations allowed us to improve our already strong financial position, completely deleveraging our balance sheet to a Net Cash position of $540 million.
- Our Return on Capital Employed was a healthy 33% and we declared a final dividend that brought our total dividend for the year to the equivalent of a pay-out ratio of 100% of underlying net earnings.



- As you are aware, our capital allocation framework is fundamental to all our investment and financial decisions.
- We have introduced climate change as one of our decision factors and we use an internal carbon price in our capital allocation processes.
- Everything is underpinned by our strong operating cash flow.
- We invest through the cycle, are committed to a minimum 35% payout ratio and distribute any excess cash while at the same time maintaining our strong balance sheet.



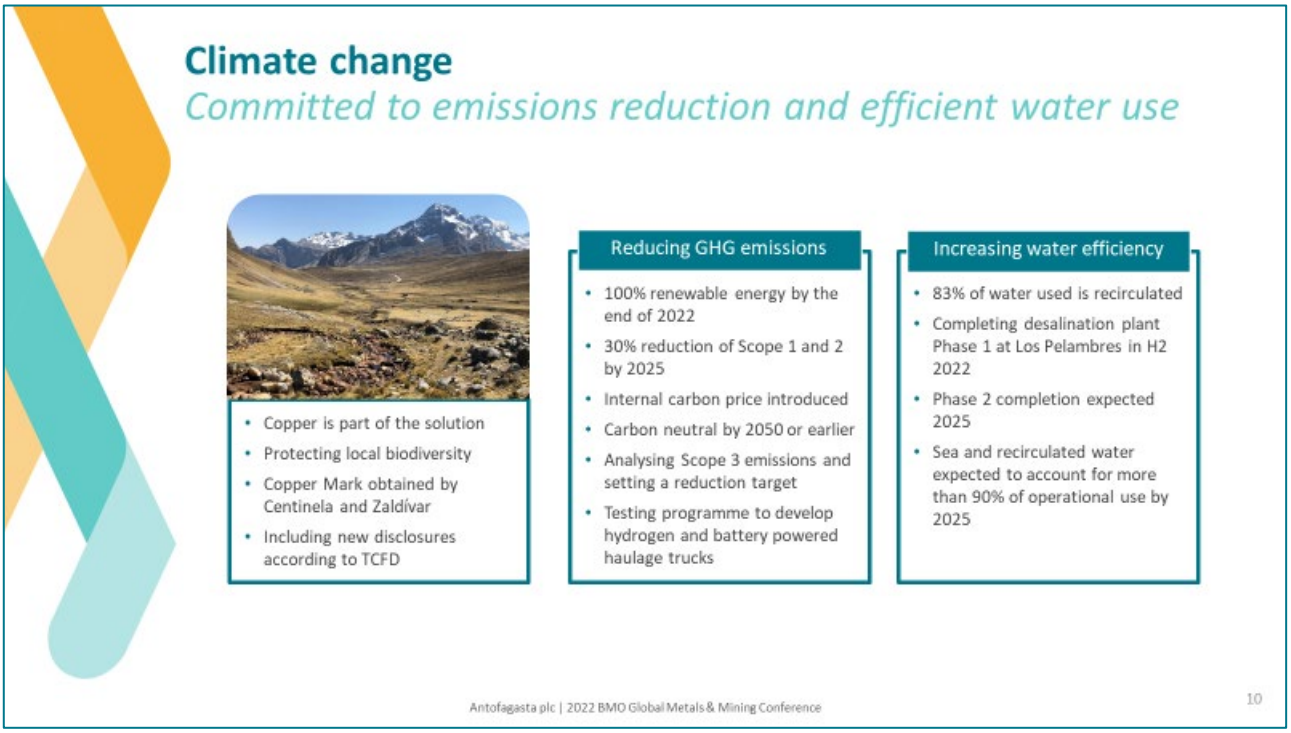
- I would like to highlight that, as shown in the graph, over the past five years we have been able to achieve a stable unit cost due to our focus on operational improvements, our Cost and Competitiveness Programme and the benefits derived from having by-products content in our largest operations. And this has allowed us to capture the price increases in our products experienced in 2021 through higher EBITDA and margins.
- Based on this, our pay-out ratio for 2021 was 100%, a record total dividend of 142.5 cents per share, with our pay-out-ratio over the last five years averaging 73%.



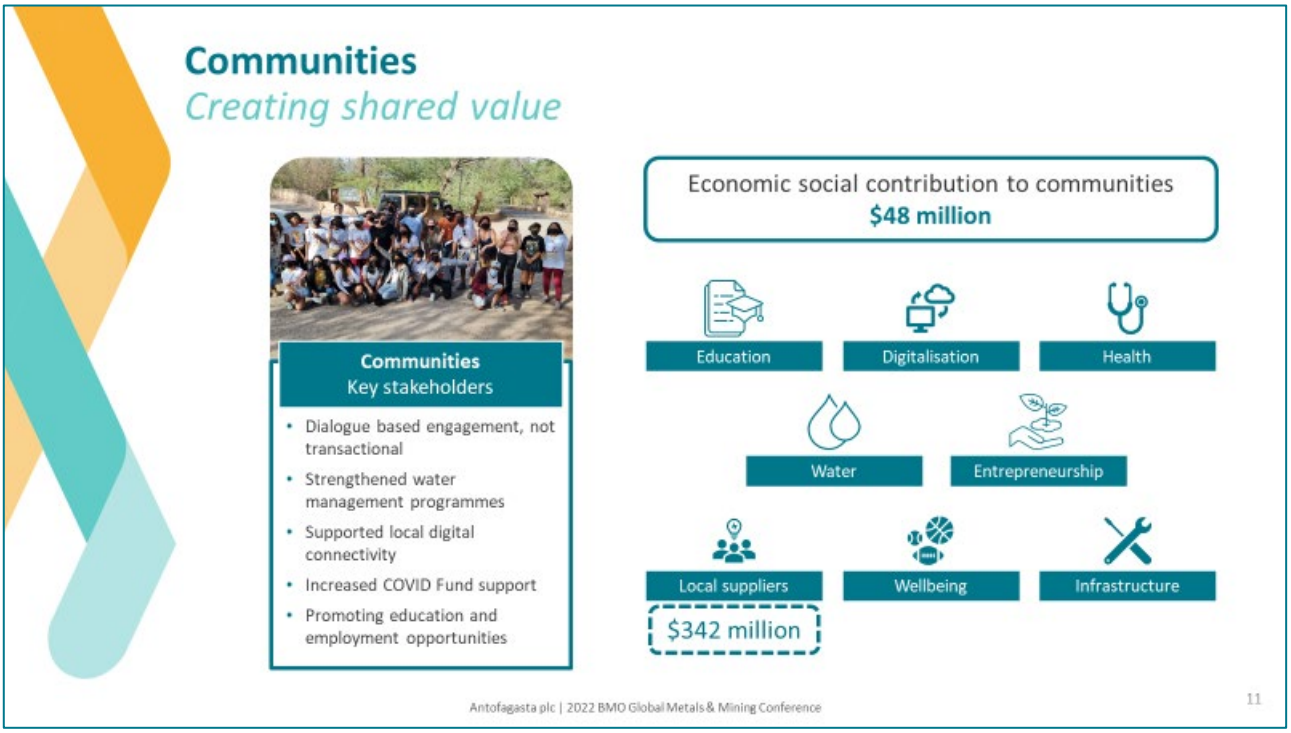
- This year copper production will be in the range of 660-690,000 tonnes, which reflects lower expected grades at Centinela Concentrates and the temporarily reduced throughput at Los Pelambres until the desalination plant at Pelambres is complete.
- Copper production is expected to increase quarter-on-quarter throughout the year.
- Our net cash costs are expected to increase to $1.55/lb, reflecting our temporary lower production at our lowest cost operations and increased input costs, particularly sulphuric acid. By-product credits are also expected to decrease as gold and molybdenum production reduces following overall copper grade decline for the year.
- As always, we remain very focused on productivity. On the back of the successfully year-on-year achievements, we are now targeting savings of at least $50 million under our Cost and Competitiveness Programme. These will offset some of the other inflationary cost pressures we expect to see in 2022.
- Capital expenditure in 2022 is expected to be in the range of between $1.7–1.9 billion, as sustaining and mine development expenditure increase to approximately $1.0 billion, and development expenditure continues on the Los Pelambres Expansion project.



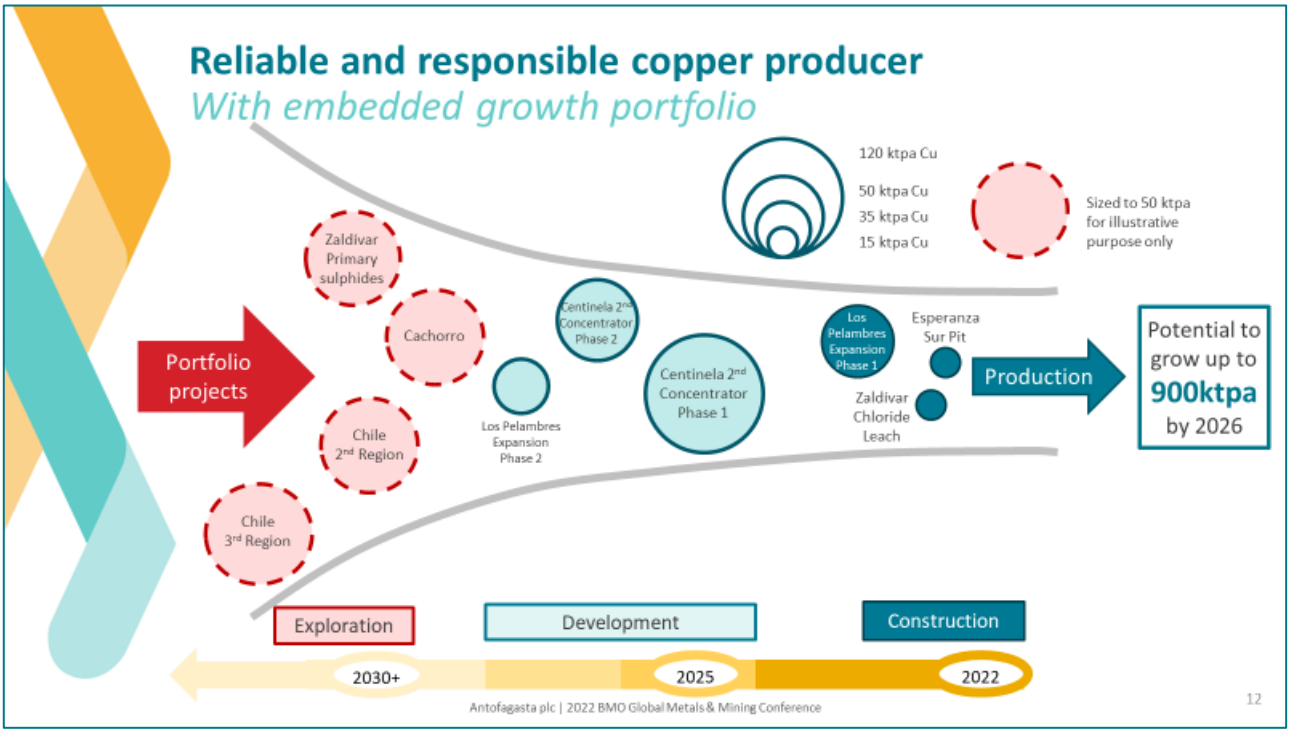
- Our Diversity and Inclusion Strategy seeks to increase the participation and retention of women in the workforce. This is reflected in our recruitment and selection strategies, the promotion of inclusive workspaces, our New Ways of Working system and our zero-tolerance policy on sexual harassment.
- During the year, we increased the proportion of women in our workforce to 17.4%, exceeding the target one year early, of doubling the participation of women by the end of 2022 against a base year of 2018.



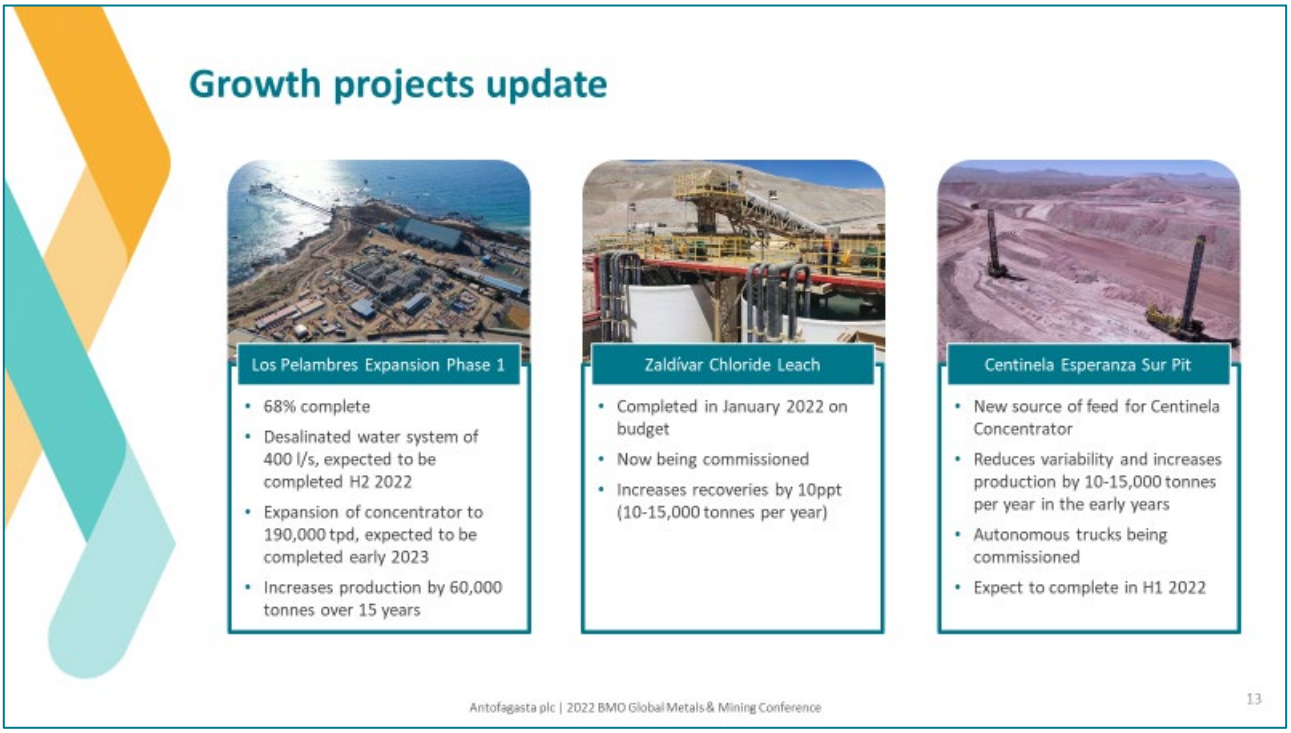
- We are committed to mitigating and adapting to climate change, and the copper we produce is part of the solution to this global challenge.
- Centinela and Zaldívar have achieved the Copper Mark and Los Pelambres and Antucoya have begun the accreditation process.
- During May 2021, we announced two new targets. The first a short-term emissions target to reduce our Scope 1 and 2 emissions by 30% by 2025. The second, longer-term target, is to achieve carbon neutrality by 2050 or earlier, as we are committed to participating in the development of suitable long term technologies to replace fossil fuels.
- By the end of this year all our mining operations are going to be sourced solely by renewable power. A transition that we started in 2020 at Zaldívar.
- Regarding Scope 3, we have been improving the full range measurement of these and we will also be working towards setting a reduction target for them not later than in 2023.
- By 2025, we expect 90% of the water used by our mining operations will be sea or recirculated water.



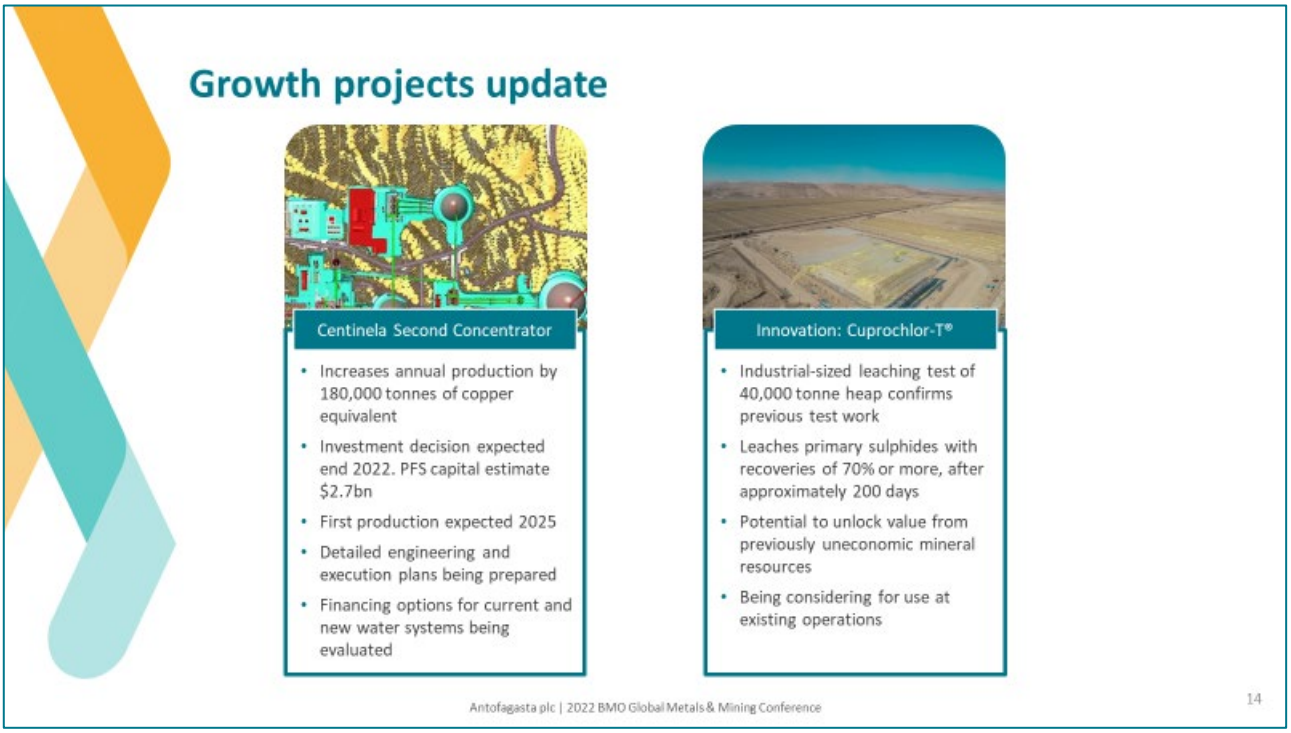
- We continue to work closely with the communities near where we operate, especially at Pelambres, through relationships we have developed over the years, and which have become particularly important during the COVID-19 crisis.
- Our business goals and success are intricately linked to those of our surrounding communities.
- We seek to build sustainable long-term relations with the communities near to our operations, anchored in proactive and transparent dialogue.
- The Company has implemented a bottom-up approach to ensure that local communities participate in the selection of our social investment projects through our engagement practices in the Choapa Province and the Antofagasta Region, respectively.
- The initiatives implemented are focused on education, digitalisation, health, water, entrepreneurship, local suppliers, wellbeing and infrastructure.
- During the year we´ve also committed an additional $6 million to the COVID Support Fund we set up in 2020, which now totals $12 million.
- During 2021, we have assigned a total of 48 million dollars to manage and run a series of projects agreed with the communities contributing to their positive economic and social wellbeing and we purchased over $340 million of goods and services from local suppliers.



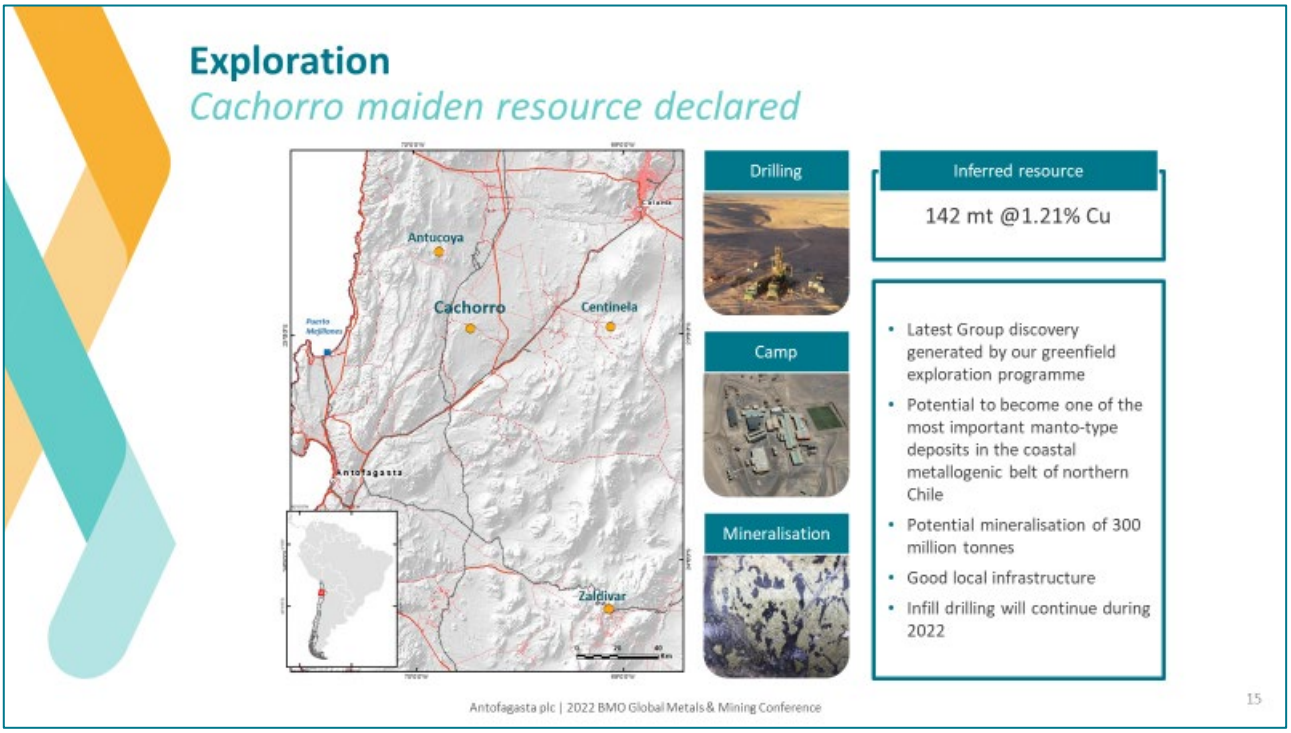
- We have embedded organic growth that will allow us to produce sustainably into the future.
- We have a variety of exploration and late-stage projects, which are in different phases of evaluation and will generate organic growth for the company, including a very attractive recent discovery, which we call the Cachorro project, and which we are including for the first time in our Reserves & Resource declaration.
- We have a large mineral resource base of over 19 billion tonnes, giving us options to develop our inventory at a time when copper supply is becoming increasingly constrained.
- We believe we have very strong organic growth potential that can allow us to increase our copper production to up to 900,000 tonnes a year by 2026.



- Our current growth projects shown on this slide at Los Pelambres, Centinela and Zaldívar, will add 80-90,000 tonnes of copper each year once they are completed.
- As at the end of the last year the Los Pelambres Expansion project was 68% complete. The concentrator plant expansion is expected to be completed in early 2023 and the desalination plant in H2 2022.
- At Zaldívar construction of the Chloride Leach project was completed in January 2022 and is now being commissioned.
- At Centinela we are opening the Esperanza Sur pit. Stripping advanced in 2021 and we expect to be mining ore with our autonomous truck fleet in the first half of this year.



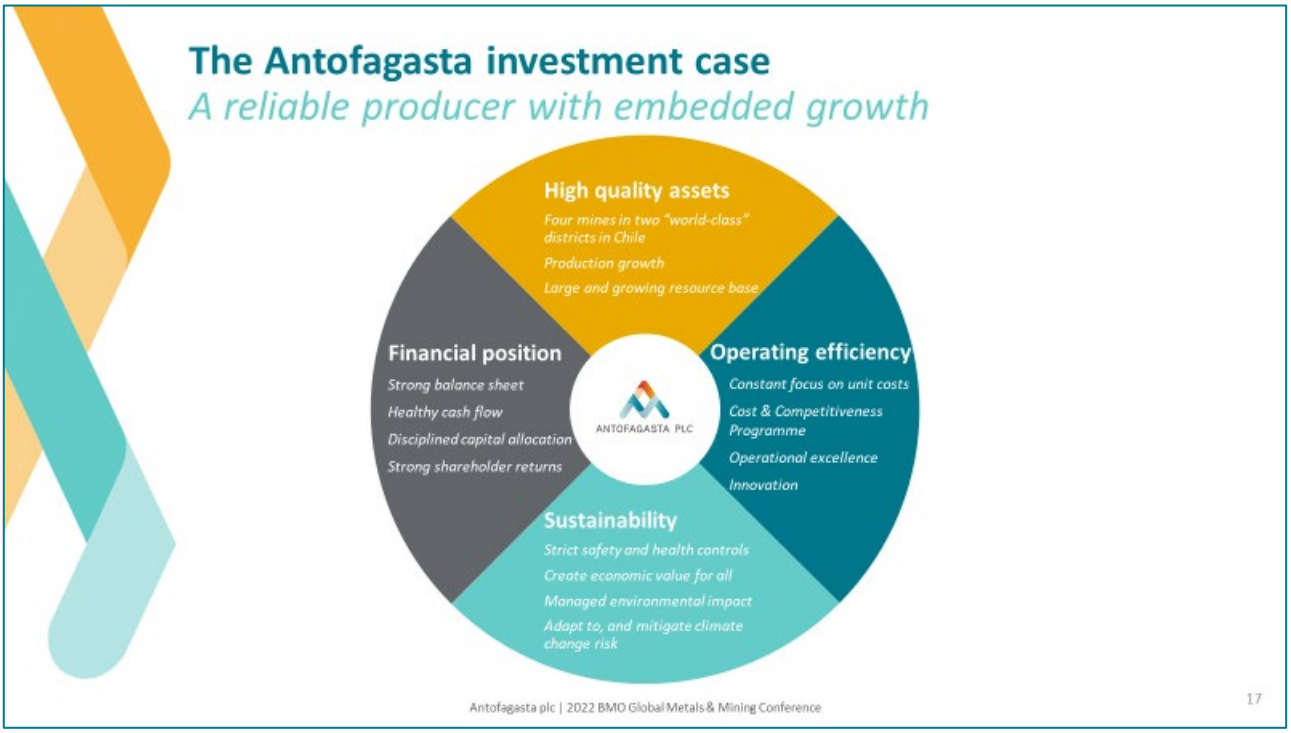
- At our Centinela Second Concentrator project we are doing detailed engineering and execution plans and the project is expected to be taken to Board for approval by the end of the year.
- Over several years we have developed a patented primary sulphide leach technology called Cuprochlor-T that could open new growth projects.
- During 2021, we conducted an industrial-scale trial using a 40,000-tonne heap at Centinela. The results were consistent with our previous test work, giving recoveries of up to 70% after approximately 200 days.
- This new technology will potentially unlock value from previously uneconomic mineral resources and our operations are looking at how its use can be built into their mine plans.



- As I mentioned earlier, we are very excited to announce that the Company has discovered a significant greenfield manto type deposit in the coastal belt of the Antofagasta Region.
- The initial inferred resource of the Cachorro deposit is 142 million tonnes, with a copper grade of 1.2% and has a potential mineralisation of close to 300 million tonnes.
- It is located closer to existing infrastructure and our Antucoya operation and, depending on its final size, we expect it could be developed using existing infrastructure in our nearby mining district operations.



- In Chile, there are various changes underway including most importantly the development of a new Constitution. While this is currently work in progress and there is no guaranteed outcome, if successful it may provide the opportunity to develop a new social pact and higher levels of social cohesion going forward.
- Chile elected a new president and a new congress last year and they will take office on 11 March. The make-up of congress is balanced with no overall control resting with any one group.
- A draft bill proposing a new mining royalty was approved in May by the lower chamber of Congress. It is now being considered by the upper house which has noted the importance of the mining sector to the future economic prosperity of the country, as well as the benefits it brings in attracting foreign investment.
- A Constitutional Convention was elected in May 2021 and has until early July 2022 to write a new constitution. Each clause will require a two-thirds majority vote before it is included in the new constitution which will then be put to a national referendum for approval, which will happen before the end of this year.



- So, let me finish by summarizing why Antofagasta remains a solid investment case across the cycle.
- Copper is a critical metal to support the global transition to a low carbon economy and Antofagasta is a pure play copper producer with high quality assets in Chile, supported by a team that delivers reliably and responsibly.
- We have many embedded growth options in our portfolio with identified levers to unlock that growth that will create value for all our stakeholders, and which can take us to 900,000 tpa of copper production by 2026.
- We are also constantly work to improve our operating efficiency in the short, medium and long term through cost control and productivity improvements, while keeping the reliability and stability of our operations.
- And across our business, sustainability underpins everything we do. This includes, the safety and health of our people, our commitment to reducing our impact on the environment and sharing development benefits with our local communities
- We have the financial strength to deliver this growth responsibly, as is illustrated by the robustness of our balance sheet and today's strong financial results.
- We are in a prime position to seize the growth in copper demand. We have the embedded tonnes across our business, the ability to unlock them in a sustainable way, and we are a responsible and reliable producer to deliver value to all our stakeholders.
- Thank you for your time.