

Q2 2022 PRODUCTION REPORT

FULL YEAR GUIDANCE REVISED

Antofagasta plc CEO, Iván Arriagada said: *“In the first half of 2022 we produced 268,600 tonnes of copper at a net cash cost of \$1.82/lb. Reduced production levels and higher costs compared to last year reflect the expected impact of the drought and the temporary closure of the concentrate pipeline at Los Pelambres in June, as well as lower grades at Centinela Concentrates.*

“Looking to the second half of the year, we expect production to increase quarter-on-quarter as throughput recovers at Los Pelambres with increased water availability, grades improve at Centinela Concentrates and as the copper in concentrates, stockpiled at Los Pelambres’ concentrator plant, is moved to the port.

“The significant decline in the copper price since the beginning of June has reinforced our commitment to control costs, particularly during this period of higher input prices and general inflation.

“Following the pipeline incident at Los Pelambres, and the continued uncertainty about water availability, full year copper production is now expected to be 640–660,000 tonnes. The impact of this and the high current levels of inflation are partially offset by the weakening of the Chilean peso and we now estimate full year net cash cost guidance at \$1.65/lb.”

HIGHLIGHTS

PRODUCTION

- **Group copper production⁽¹⁾ in Q2 2022 was 129,800 tonnes**, a decrease of 6.5% compared to the previous quarter, mainly due to the previously announced concentrate pipeline incident at Los Pelambres which reduced reported production during the period by approximately 23,000 tonnes. Operation of the pipeline resumed by the end of the period and 12,000 tonnes of copper in concentrates stockpiled at the concentrator plant will be moved to the port by October
- **Group copper production⁽¹⁾ in the first six months of the year was 268,600 tonnes**, 25.7% lower than in the same period last year mainly due to the expected temporary reduction in throughput at Los Pelambres as a result of the drought and the concentrate pipeline incident, and expected lower grades at Centinela Concentrates. Throughput at Los Pelambres was 36.2% lower than in H1 2021, and the grades at Centinela Concentrates were 25.4% lower
- **Gold production for the quarter decreased by 7.8% to 35,400 ounces** compared with Q1 mainly due to the concentrate pipeline incident, and for the first six months decreased by 38.8% to 73,800 ounces mainly due to expected lower grades at Centinela
- **Molybdenum production was 2,000 tonnes**, the same as the previous quarter. For the year to date, production was 4,000 tonnes, 31.0% lower than in the same period last year due to lower throughput and grades at Los Pelambres

CASH COSTS

- **Cash costs before by-product credits in the quarter were \$2.40/lb**, 6c/lb higher than in the first quarter and for the first half of the year were \$2.37/lb, 37.0% higher than in the same period last year mainly due to the temporary decrease in production and higher input prices, particularly for diesel and sulphuric acid. General inflation was largely offset by the weaker Chilean peso
- **Net cash costs were \$1.90/lb in Q2 2022 and \$1.82/lb for the first half of the year**, compared to \$1.75/lb in the previous quarter and \$1.14/lb in the first half of 2021, reflecting the increase in cash costs before by-

product credits and slightly lower by-product credits due to lower by-product production, partially offset by higher realised prices

GROWTH PROJECTS UPDATE

- The Los Pelambres Expansion project was 82% complete as at the end of the quarter
- Completion of the desalination plant is expected in Q4 2022 and of the concentrator plant expansion in early 2023

2022 GUIDANCE

- Full year copper production for the Group is revised downwards to 640–660,000 tonnes. This revision mainly reflects the impact of the pipeline incident and the continued uncertainty arising from the water shortage at Los Pelambres
- The drought has continued at Los Pelambres during the period although there has been heavier precipitation in July. The revised guidance range incorporates a low probability negative outlook for water availability for the rest of the year. Strict water management protocols remain in place to optimise water usage and mitigate the impact of low water availability
- With increases in diesel and other input prices, net cash cost guidance is increased to \$1.65/lb, assuming market consensus estimates of by-product prices and the Chilean Peso exchange rate are achieved for the rest of the year
- As announced in April, Group capital expenditure for the year is expected to be \$1.9 billion

SUSTAINABILITY

- From April this year all mining operations have been operating solely using renewable energy significantly reducing the Company's Scope 2 emissions

OTHER

- As previously announced, there was a leak in the concentrate pipeline at Los Pelambres on 31 May. This has been repaired and operation of the pipeline resumed on 26 June. A full assessment of the incident found no material or irreversible environmental impact and the pipeline was approved for reopening by the relevant local regulator (Sernageomin). A review is underway to ensure enhanced safety conditions are incorporated into pipeline operations ahead of the replacement of the pipeline which is currently being permitted and is expected to be completed in 2025. Engagement with members of the local communities concerned about the safety of the pipeline by the Company together with the local authorities were concluded successfully
- Copper concentrates stockpiled at the concentrate plant will be transferred to the port by October using the spare capacity of the pipeline. It is estimated that the full impact of the disruption will be a loss of approximately 15,000 tonnes of production over the full year
- The Constitutional Convention completed the draft of the new constitution on 4 July. A national referendum to accept or reject the new constitution will be held on 4 September
- The government presented a tax reform bill to Congress on 1 July and a new proposal for the mining royalty on 11 July. This proposal is being evaluated by the mining industry. The initial view is that it is more onerous than the proposal made by the Senate Mining and Energy Committee in January, but less onerous than the original proposal made by the lower house in May 2021. The new draft will now be discussed and approved by the Senate before being passed to the lower house for its consideration
- On 11 July the Company released a special report on its tax payments in respect of 2021. The report provides detailed information about the nature of the taxes paid by the Company and the amounts paid, and can be found on the Antofagasta website

GROUP PRODUCTION AND CASH COSTS		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Copper production ⁽¹⁾	Kt	268.6	361.5	(25.7)	129.8	138.8	(6.5)
Copper sales	Kt	263.0	346.1	(24.0)	147.1	115.9	26.9
Gold production	Koz	73.8	120.5	(38.8)	35.4	38.4	(7.8)
Molybdenum production	Kt	4.0	5.8	(31.0)	2.0	2.0	0.0
Cash costs before by-product credits ⁽²⁾	\$/lb	2.37	1.73	37.0	2.40	2.34	2.6
Net cash costs ⁽²⁾	\$/lb	1.82	1.14	59.6	1.90	1.75	8.6

(1) Copper production for copper in concentrates is defined as tonnes of filtered concentrate at the port of export

(2) 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 produced 44,300 tonnes of copper in Q2 2022, 18.1% lower than in the previous quarter. This decrease is mainly as a result of the leak in the concentrate pipeline detected on 31 May and access restrictions implemented by some members of the local communities concerned about the safety of the pipeline. The pipeline has now been repaired and engagement with the local communities successfully concluded. Pipeline operations resumed on 26 June.

During the shutdown approximately 12,000 tonnes of copper in concentrates were stockpiled at the plant. These will not be reported as production until they are filtered at the port, which is expected to be completed by October.

In the first six months of 2022, copper production decreased by 41.9% to 98,400 tonnes compared with the same period last year. This decrease includes the impact of the leak in the concentrate pipeline, but was mainly driven by the expected reduced throughput, which was down 36.2% compared with the prior year due to water restrictions arising from the drought.

Molybdenum production was 1,400 tonnes in Q2 2022, the same as the previous quarter. Production for the first six months of the year decreased to 2,700 tonnes from 5,100 in H1 2021, due to lower throughput and molybdenum grades.

Gold production for the first six months of 2022 was 15,400 ounces, 12,600 ounces lower than in the same period last year due to expected lower throughput and gold grades.

Cash costs before by-product credits in Q2 2022 were \$2.06/lb, 4.0% higher than Q1, and for the first six months of 2022 were \$2.02/lb, 33.8% higher than the same period last year. This was due to the decrease in production, higher input prices, mainly diesel and explosives, and general inflation, partially offset by the weaker Chilean peso.

Net cash costs in Q2 2022 increased by 10c/lb compared to Q1 2022 to \$1.37/lb and for the year to date increased by 59.0% to \$1.32/lb. This reflected the higher cash costs before by-product credits.

Major maintenance was completed at Los Pelambres during the quarter.

As at the end of H1 the Los Pelambres Expansion project was 82% complete (engineering, procurement and construction).

LOS PELAMBRES		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Daily ore throughput	kt	104.5	163.9	(36.2)	110.1	98.8	11.4
Copper grade	%	0.66	0.66	0.0	0.64	0.68	(5.9)
Copper recovery	%	90.7	89.7	1.1	89.3	92.3	(3.3)
Copper production	kt	98.4	169.3	(41.9)	44.3	54.1	(18.1)
Copper sales	kt	96.3	165.5	(41.8)	54.4	41.9	29.8
Molybdenum grade	%	0.017	0.021	(19.0)	0.018	0.016	12.5
Molybdenum recovery	%	85.0	84.6	0.5	83.9	86.5	(3.0)
Molybdenum production	kt	2.7	5.1	(47.1)	1.4	1.4	0.0
Molybdenum sales	kt	2.7	4.9	(44.9)	1.5	1.2	25.0
Gold grade	g/t	0.043	0.048	(10.4)	0.042	0.044	(4.5)
Gold recovery	%	72.9	66.5	9.6	72.4	73.5	(1.5)
Gold production	koz	15.4	28.0	(45.0)	6.8	8.6	(20.9)
Gold sales	koz	15.2	25.8	(41.1)	8.8	6.4	37.5
Cash costs before by-product credits ⁽¹⁾	\$/lb	2.02	1.51	33.8	2.06	1.98	4.0
Net cash costs ⁽¹⁾	\$/lb	1.32	0.83	59.0	1.37	1.27	7.9

(1) Includes tolling charges of \$0.18/lb in Q2 2022, \$0.16/lb in Q1 2022, \$0.17/lb YTD 2022 and \$0.15/lb YTD 2021

Centinela

Total copper production in H1 2022 was 111,300 tonnes, 15.7% lower than in H1 2021 due to expected lower ore grades at Centinela Concentrates, slightly offset by higher grades at Centinela Cathodes. Total copper production in Q2 2022 was 55,600 tonnes in line with the previous quarter.

Production of copper in concentrates was 33,300 tonnes in Q2 2022, 1.2% higher than the previous quarter and 66,200 tonnes for the half year, 26.8% lower than in the same period last year, mainly due to expected lower copper grades which were 0.44% compared to 0.59% in H1 2021. This was partially offset by increased throughput with the concentrator averaging above design capacity throughput for the full half year.

Copper cathode production during the quarter was 22,200 tonnes, 3.1% lower than Q1 2022, and for the first six months it was 45,100 tonnes, 8.2% higher than in the same period last year primarily due to expected higher grades and recoveries.

Gold production in Q2 was 28,600 ounces, 4.0% lower than the previous quarter and in H1 it was 58,400 ounces, 36.9% lower than H1 last year as grades, which are correlated to copper grades, and recoveries decreased.

Molybdenum production in H1 2022 increased to 1,300 tonnes from 700 tonnes in H1 2021, due to higher grades.

Cash costs before by-product credits in Q2 were \$2.66/lb, 1.5% lower than in the previous quarter due to major maintenance completed during Q1. Cash costs before by-product credits for the first six months of 2022 were \$2.68/lb, 48.9% higher than the same period in 2021 primarily due to lower production and higher input costs, particularly for diesel, sulphuric acid and explosives. General inflation was largely offset by the weaker Chilean peso.

By-product credits decreased from \$0.77/lb in Q1 to \$0.63/lb in Q2 due to lower realised prices and lower gold production. For the first six months of 2022, by-product credits were \$0.70/lb, 2c/lb lower than in the same period last year.

Net cash costs in Q2 2022 were \$2.03/lb, 5.2% higher than the previous quarter, and during the first six months of the year net cash costs were \$1.98/lb, 90c/lb higher than in H1 2021 reflecting the increase in cash costs before by-product credits and the slightly lower by-product credits.

Major maintenance is still scheduled in Q3 2022 and is included in full year guidance.

CENTINELA		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
CONCENTRATES							
Daily ore throughput	kt	107.3	104.7	2.5	110.6	104.0	6.3
Copper grade	%	0.44	0.59	(25.4)	0.45	0.44	2.3
Copper recovery	%	80.0	84.7	(5.5)	78.8	81.4	(3.2)
Copper production	kt	66.2	90.4	(26.8)	33.3	32.9	1.2
Copper sales	kt	64.5	80.8	(20.2)	42.0	22.5	86.7
Molybdenum grade	%	0.013	0.009	44.4	0.013	0.013	0.0
Molybdenum recovery	%	60.7	46.2	31.4	61.7	59.7	3.4
Molybdenum production	kt	1.3	0.7	85.7	0.6	0.6	0.0
Molybdenum sales	kt	1.2	0.8	50.0	0.7	0.4	75.0
Gold grade	g/t	0.15	0.22	(31.8)	0.15	0.15	0.0
Gold recovery	%	65.3	72.4	(9.8)	64.0	66.7	(4.0)
Gold production	koz	58.4	92.5	(36.9)	28.6	29.8	(4.0)
Gold sales	koz	58.3	77.9	(25.2)	36.1	22.2	62.6
CATHODES							
Daily ore throughput	kt	56.3	56.3	0.0	57.3	55.4	3.4
Copper grade	%	0.64	0.60	6.7	0.62	0.65	(4.6)
Copper recovery	%	66.1	65.1	1.5	64.5	67.8	(4.9)
Copper production – heap leach	kt	43.4	39.8	9.0	21.3	22.1	(3.6)
Copper production – total ⁽¹⁾	kt	45.1	41.7	8.2	22.2	22.9	(3.1)
Copper sales	kt	42.5	38.6	10.1	20.0	22.6	(11.5)
Total copper production	kt	111.3	132.1	(15.7)	55.6	55.8	(0.4)
Cash costs before by-product credits ⁽²⁾	\$/lb	2.68	1.80	48.9	2.66	2.70	(1.5)
Net cash costs ⁽²⁾	\$/lb	1.98	1.08	83.3	2.03	1.93	5.2

(1) Includes production from ROM material

(2) Includes tolling charges of \$0.14/lb in Q2 2022, \$0.14/lb in Q1 2022, \$0.14/lb YTD 2022 and \$0.12/lb YTD 2021

Antucoya

Antucoya produced 18,900 tonnes of copper in Q2 2022, 8.6% higher than in the previous quarter mainly due to a 12.0% increase in throughput, which was at its highest level since the mine opened in 2015. Production in the first six months of 2022 was 36,400 tonnes, 7.8% lower than the same period last year due to expected lower grades, partially offset by higher throughput.

During the quarter, cash costs were \$2.59/lb compared to \$2.40/lb in Q1. For the first six months, cash costs were 22.5% higher than in H1 2021 at \$2.50/lb due to lower production and increased input costs, particularly for sulphuric acid, diesel and explosives. General inflation was largely offset by the weaker Chilean peso.

A labour negotiation with the supervisors' union was successfully concluded during the quarter before the November 2022 deadline. The labour agreement with the workers' union expires at the end of September.

ANTUCOYA		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Daily ore throughput	kt	87.2	84.0	3.8	92.1	82.2	12.0
Copper grade	%	0.32	0.35	(8.6)	0.32	0.31	3.2
Copper recovery	%	69.0	68.4	0.9	68.6	69.4	(1.2)
Copper production	kt	36.4	39.5	(7.8)	18.9	17.4	8.6
Copper sales	kt	37.1	40.1	(7.5)	19.7	17.4	13.2
Cash costs	\$/lb	2.50	2.04	22.5	2.59	2.40	7.9

Zaldívar

Copper production at Zaldívar in Q2 2022 was 11,000 tonnes, 4.3% lower than in the previous quarter due to lower grades and throughput, partially offset by higher recoveries. Production for the year to date was 22,500 tonnes, 9.2% higher compared with the same period last year due to higher copper grades and recoveries.

Following completion of the Chloride Leach project, recoveries are projected to increase as the project ramps up. The methodology of reporting recoveries has been changed to be consistent with other operations and now reflect recoveries in the period rather than over a 12-month period.

Cash costs during Q2 were \$2.18/lb, 3.8% higher than in Q1 2022, and for the first six months of 2022 were \$2.14/lb compared with \$2.46/lb in the same period in 2021, mainly due to higher production partially offset by higher input prices.

ZALDÍVAR		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Daily ore throughput	kt	39.3	40.3	(2.5)	39.0	39.5	(1.3)
Copper grade	%	0.81	0.78	3.8	0.78	0.84	(7.1)
Copper recovery ⁽¹⁾	%	53.7	50.6	6.1	54.2	53.2	1.9
Copper production – heap leach ⁽²⁾	kt	15.8	15.2	3.9	7.6	8.2	(7.3)
Copper production – total ^(2,3)	kt	22.5	20.6	9.2	11.0	11.5	(4.3)
Copper sales ⁽²⁾	kt	22.7	21.1	7.6	11.1	11.6	(4.3)
Cash costs	\$/lb	2.14	2.46	(13.0)	2.18	2.10	3.8

(1) Metallurgical recoveries during the period. Prior periods have been restated

(2) Group's 50% share

(3) Includes production from secondary leaching

Transport Division

Total transport volumes in Q2 2022 were 1.8 million tonnes, 7.5% higher than in the previous quarter, mainly due to customers' lower production and poor weather conditions during Q1.

For the first six months of the year, transport volumes increased by 11.8% as new rail transport contracts have ramped up during the period.

TRANSPORT		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Rail	kt	2,708	2,514	7.7	1,398	1,310	6.7
Road	kt	861	678	27.0	451	410	10.0
Total tonnage transported		3,570	3,192	11.8	1,849	1,720	7.5

Commodity prices and exchange rates

		Year to Date			Q2	Q1	
		2022	2021	%	2022	2022	%
Copper							
Market price	\$/lb	4.43	4.13	7.3	4.32	4.53	(4.6)
Realised price	\$/lb	4.13	4.42	(6.6)	3.42	5.05	(32.3)
Gold							
Market price	\$/oz	1,873	1,808	3.6	1,873	1,877	(0.2)
Realised price	\$/oz	1,899	1,776	6.9	1,821	2,021	(9.9)
Molybdenum							
Market price	\$/lb	18.7	12.7	47.2	18.4	19.1	(3.7)
Realised price	\$/lb	18.0	16.1	11.8	16.4	19.9	(17.6)
Exchange rates							
Chilean peso	per \$	826	720	14.7	843	808	4.3

Spot prices for copper, gold and molybdenum as at 30 June 2022 were \$3.74/lb, \$1,815/oz and \$17.1/lb respectively, compared with \$4.69/lb, \$1,933/oz and \$19.3/lb as at 31 March 2022 and \$4.26/lb, \$1,760/oz and \$19.0/lb as at 30 June 2021.

The provisional pricing adjustments for copper, gold and molybdenum for the quarter were negative \$312.7 million, negative \$2.0 million and negative \$14.1 million respectively.

The provisional pricing adjustments for copper, gold and molybdenum for the year to date were negative \$206.8 million, positive \$3.7 million and negative \$13.2 million respectively.

The US\$/CHP exchange rate as at 30 June 2022 was 932, compared with 845 as at 31 December 2021.