ANTOFAGASTA PLC

NEWS RELEASE, 11 AUGUST 2022

HALF YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

Antofagasta plc CEO Iván Arriagada said: *"Although we have experienced significant challenges over the half year – a volatile copper price as a result of macro developments, the continued drought in Chile, and an incident with our concentrate pipeline at Los Pelambres – the actions we have taken, coupled with the quality of our assets and balance sheet, have meant that we were able to weather the storm. Sales volumes during the period were lower as were copper prices and this is reflected in the 30% decline in revenue. As we previously announced, with the fall in production and higher input prices, cash costs were higher. And although we have experienced general inflation, the impact was offset by the weak Chilean peso.*

"As we continue to decarbonise our business, we successfully moved all our mining operations away from using fossil fuels for energy generation and as of April this year, they are now all using 100% renewable energy.

"We expect the remainder of the year to look very different from the first half - as production improves quarter-on-quarter, we ship and sell the concentrate that was impacted by the concentrate pipeline incident, and the desalination plant at Los Pelambres starts, significantly alleviating the issue of water availability. We remain on track to produce our revised guidance of 640-660,000 tonnes of copper for the full year.

"While the short-term outlook remains uncertain for copper, inflation, global economics and geopolitics, we remain committed to maintaining our operating discipline and cost control, and a strong balance sheet.

"Copper's critical role in the development of low-carbon technologies is essential for the energy transition and the long-term fundamentals for copper remain favourable. I am confident that Antofagasta's strategy of developing mining for a better future is the right one and will deliver long-term value for all our stakeholders.

"In line with our normal 35% pay-out ratio for interims, the Board has declared an interim dividend of 9.2 cents per share."

HIGHLIGHTS

Financial performance

- **Revenue for the first half of 2022 was $2,528 million**, 29.6% lower than the same period in 2021 mainly because of lower copper and by-product sales volumes and lower realised copper prices
- **EBITDA(1) was $1,238 million**, 47.5% lower than in the same period last year on lower revenue and operating costs that increased by 6.9% mainly due to higher input prices
- **EBITDA margin(2) was 49.0%**, compared with 65.6% in H1 2021 and 64.7% for the full year 2021
- **The Cost and Competitiveness Programme generated savings and productivity improvements of $35 million** in the first half of 2022, equivalent to 6c/lb of unit cash costs
- **Profit before tax was $680 million,** a $1,104 million decrease on the same period in 2021
- **Continuing strong balance sheet with a net debt to EBITDA ratio at the end of the period of 0.13 times.** The cash, cash equivalents and liquid investments balance at 30 June 2022 was $2,878 million, a decrease from $3,713 million at the end of 2021**,** largely reflecting the $1,172 million payment of the 2021 final dividend
- **Cash flow from operations reduced to $1,683 million compared with $2,461 million in the first half of 2021**
- **Capital expenditure of $831 million was 44% of full year guidance**
- **Earnings per share of 26.4 cents,** 41.1 cents lower than the same period in 2021

- **Interim dividend of 9.2 cents per share,** equivalent to a pay-out ratio of 35% of underlying net earnings in line with the Company's capital allocation framework

Production and cost performance (as previously announced on 20 July 2022)

- **Group copper production 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
- **Cash costs before by-product credits 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 $1.82/lb for the first half of the year**, compared with $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

2022 Guidance (as previously announced)

- Full year copper production for the Group is expected to be 640–660,000 tonnes. This includes the impact of the concentrate pipeline incident, and the impact of the water shortage at Los Pelambres due to the drought
- The drought has continued at Los Pelambres during the period although there has been heavier precipitation since then. The revised guidance range incorporates a negative outlook for water availability for the rest of the year, which we consider to be low probability. 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 $1.65/lb, assuming market consensus estimates of by-product prices and the Chilean Peso exchange rate for the rest of the year
- As announced in April, expected Group capital expenditure for the year is unchanged at $1.9 billion
- The Group is on track to achieve its Cost and Competitiveness Programme savings target of at least $50 million for the full year

Growth projects

- As previously announced, at the end of H1 the Los Pelambres Expansion project was 82% complete
- Completion of the desalination plant is expected in Q4 2022 and of the concentrator plant expansion in early 2023
- On completion of the desalination plant, the Group's exposure to water scarcity risk will be substantially reduced. An application to further expand the plant is underway
- As previously announced, the Zaldívar Chloride Leach project was completed in January 2022 on budget
- Since the period end, mining with the Group's first fleet of autonomous trucks has started at Esperanza Sur and the ore is being processed at the Centinela concentrator
- Following the completion of a detailed review of the Centinela Second Concentrator project, the capital cost estimate has been revised to $3.7 billion (up from $2.7 billion in the 2015 prefeasibility study). This estimate includes a new water system and the increase reflects design changes, inflation, heightened environmental and other regulatory requirements, and the results of advanced engineering and a more detailed execution plan. The decision on whether to proceed with the project is scheduled for early 2023
- The expansion at Centinela will increase production by an average of 170,000 tonnes per annum of copper equivalent and move Centinela into the first cost quartile, and takes advantage of the Group's large resource base in the Centinela district

Sustainability

- As previously announced, from April this year all mining operations have been operating solely using renewable energy, significantly reducing the Company's Scope 2 emissions

- The Group's Sustainability Report was published in April and its first Tax Report was published in July
- In August, Antucoya obtained the Copper Mark, for compliance with this independently verified responsible production standard, joining Centinela and Zaldívar who received it in 2021

Other

- As previously announced, there was a discharge from the concentrate pipeline at Los Pelambres during the period and the pipeline resumed operations on 26 June. There was no material environmental impact and the pipeline was approved for reopening by the relevant local regulator. 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 also concluded successfully
- 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 7 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 reviewed by the Senate before being passed to the lower house for its consideration

UNAUDITED RESULTS SIX MONTHS ENDED 30 JUNE		2022	2021	%
Revenue	$m	2,528.2	3,591.0	(29.6)
EBITDA(1)	$m	1,237.7	2,357.1	(47.5)
EBITDA margin(1, 2)	%	49.0	65.6	(25.3)
Profit before tax (including exceptional items)	$m	679.6	1,783.5	(61.9)
Earnings per share (continuing and discontinued operations including exceptional items)	cents	26.4	67.5	(60.9)
Dividend per share	cents	9.2	23.6	(61.0)
Cash flow from operations (continuing and discontinued)	$m	1,682.5	2,460.5	(31.6)
Capital expenditure(3)	$m	831.0	781.9	6.3
Net debt/(cash) at period end	$m	491.4	(701.3)	N/A
Realised copper price	$/lb	4.13	4.42	(6.6)
Copper sales(4)	kt	240.4	325.1	(26.1)
Gold sales	koz	73.6	103.7	(29.0)
Molybdenum sales	kt	3.9	5.7	(31.6)
Cash costs before by-product credits(1)	$/lb	2.37	1.73	37.0
Net cash costs(1)	$/lb	1.82	1.14	59.6

Note*: The financial results are for continuing operations and are prepared in accordance with IFRS unless otherwise noted below.*

(1) Non-IFRS measures. Refer to the alternative performance measures section on page 60 in the half-year financial report below.

(2) Calculated as EBITDA/Revenue. If Associates and JVs' revenue is included EBITDA Margin was 44.6% in HY 2022 and 61.8% in HY 2021.

(3) On a cash basis.

(4) Does not include 22,700 tonnes of sales by Zaldívar in HY 2022 and 21,100 tonnes in HY 2021, as it is equity accounted.

A recording and copy of the 2022 Half Year Results presentation is available for download from the Company's website www.antofagasta.co.uk.

There will be a Q&A video conference call at 2:00pm BST today hosted by Iván Arriagada - Chief Executive Officer, Mauricio Ortiz - Chief Financial Officer and René Aguilar, Vice President - Corporate Affairs and Sustainability. Participants can join the conference call here.

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FINANCIAL AND OPERATING REVIEW

FINANCIAL HIGHLIGHTS

Group revenue was $2,528.2 million, 29.6% lower than in the same period last year mainly as a result of copper sales volumes falling by 26.1%, the realised copper price decreasing by 6.6%, and as by-product revenues decreased by 25.3%, mainly due to lower molybdenum and gold volumes, partially offset by higher realised by-product prices.

EBITDA during the first six months was $1,237.7 million, 47.5% lower than in the same period in 2021, reflecting lower revenue and higher cost of sales which increased by 6.9%.

Profit before tax including exceptional items was $679.6 million, 61.9% lower than in the same period in 2021 reflecting the lower EBITDA.

Earnings per share from continuing operations including exceptional items for the year were 26.4 cents, a decrease of 60.9% compared with 2021.

Cash flow from operations was $1,682.5 million, a 31.6% decrease compared with the same period last year, reflecting the Group's lower EBITDA.

The Board has declared an interim ordinary dividend of 9.2 cents per share, equal to a 35% pay-out ratio in both periods and in line with our dividend policy.

SUSTAINABILITY

Safety and health

Antofagasta prioritises the safety and wellbeing of its people.

Given that our safety management system prioritises eliminating fatalities, the Group's focus is on high potential incidents (HPIs), and we are using this measure as our key lead indicator of safety performance. During the first half of 2022, the Group recorded 23 HPIs, 21% less than the same period in the previous year, with improvements seen in both our Mining and Transport divisions.

The Group's Lost Time Injury Frequency Rate (LTIFR) was 0.92 per million hours worked, 23% less than in 2021. All incidents with lost time are now being investigated to identify and learn from the organisational causes.

Communities

We seek to engage in long-term sustainable relationships with the communities near to our operations through our Somos Choapa (We are Choapa) and Diálogos para el Desarrollo (Dialogues for Development) engagement mechanisms in the Choapa Province and the Antofagasta Region, respectively.

Following the concentrate pipeline incident at Los Pelambres, engagement with several rural communities ensued with the participation of local and regional authorities. Agreements reached include initiatives focused on participatory monitoring through enhanced information sharing about parts of the company's infrastructure, and financing social projects related to drinking water, sanitation, health, education and public spaces. In line with the Group's community relations model, most of these projects will be in partnership with the public sector.

Over recent years, Los Pelambres has strengthened its water strategy to contribute to the mitigation of communities' challenges arising from water scarcity. Projects have been developed to provide assistance during emergencies and improve the quantity and quality of water available to local communities. Los Pelambres has also implemented projects to improve the efficient use of water for irrigation, financing the lining of more than 200 kilometres of irrigation canals over the last 10 years and the construction of some 200,000 m^3 of water storage. Additionally, innovation and technology have been used to automate sluice gates on the Illapel River to improve the efficiency and use of water.

In recent months Zaldívar has advanced its relationship with the community of Peine, an indigenous Atacameño village located in the Salar de Atacama, approximately 100km from the operation and close to its water well field. The community has established an elected committee to work with the company and the local and regional authorities in supporting the community's development.

Climate Change and emission targets

At Antofagasta, we see climate change as one of the greatest challenges facing the world today and are committed to being part of the solution. As a copper producer, we have a clear role to play in supplying a metal that is a critical input for many low-carbon technologies such as electromobility and the generation of renewable energy.

After meeting our 2018-2022 GHG emissions reduction target two years early in 2020, the Company announced two new targets.

The first is to reduce the Company's Scope 1 and Scope 2 GHG emissions by 30%, or 730,000 tonnes of CO_2e by 2025, relative to 2020. And the second is for the Group to achieve carbon neutrality by 2050, in line with Chile's own national target, or earlier if suitable technologies are developed.

These targets are supported by the conversion of our operations to electricity generated solely from renewable sources, which was achieved in April 2022. At the same time, we are working to reduce and, ultimately, eliminate the use of diesel at our mining operations by using alternative power sources and a portfolio of energy efficiency initiatives.

More details of our Climate Change Strategy can be found in our 2021 Climate Change Report.

Water

One clear impact of climate change is the 13-year drought in central Chile, which is where Los Pelambres is located. In 2018, we took the decision to build a desalination plant for Los Pelambres and the first stage of this project, with an output of 400 litres per second, is due to start operation in Q4 2022 and to double its capacity as soon as the necessary permitting is obtained.

Our Centinela and Antucoya operations in the north of Chile already almost only use sea water and Zaldívar will use continental water until 2025 or 2031 (see below). As a result, we expect raw or desalinated seawater and reused or recycled water to account for 90% of the operational water use of all our mining operations by 2025.

In 2018, Zaldívar submitted an Environmental Impact Assessment (EIA), which included an application to extend its water permit from 2025 to 2031 and the mining lease (which expires at the end of 2023). This has involved government agencies reviewing the application and a consultation process with the indigenous community in Peine, led by the environmental authority.

If the relevant permits are not extended, this is likely to be considered as an indicator of a potential impairment, requiring a full impairment assessment to be carried out.

Zaldívar's mine life is to 2036. Field work and studies are underway on further extending the life of the mine by exploiting the primary sulphide ore body that lies below the current ore reserves. Water planning beyond the extension to 2031 is being evaluated as part of these studies as is the use of the Group's Cuprochlor-T technology.

To safeguard the availability of water resources for our operations, communities and the environment, we published our first Water Policy earlier this year, which commits us to increasing our water efficiency, implementing robust and transparent water governance practices, and collaborating with other stakeholders on environmentally responsible and sustainable water management.

Suppliers

The Group is requiring improved sustainability practices from its suppliers with the purpose of working with them to ensure alignment with leading standards on environmental, social and governance (ESG) matters.

This strategy includes applying an internal carbon price to tenders as well as other ESG criteria. The use of an internal carbon price is being rolled out and during the half year was used with larger suppliers for specific goods and services contracts, such as explosives and mine haulage trucks. The new measures complement the energy efficiency and safety criteria already used in bid evaluations.

At the same time, as part of supply chain management, Antofagasta is holding workshops to help micro, small and medium-sized suppliers near our operations to comply with these conditions so as to take advantage of their inherent advantage of having short transport distances and enhance trustworthy supplier relationships built on shared value creation.

PRODUCTION AND CASH COSTS

Group copper production in the first half of 2022 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, the concentrate pipeline incident and expected lower grades at Centinela Concentrates.

Group gold production for the first six months decreased by 38.8% to 73,800 ounces.

Molybdenum production was 4,000 tonnes, 31.0% lower than in the same period last year.

Group cash costs before by-product credits in the first half of 2022 were $2.37/lb, 64c/lb higher than last year, a result of 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 for the first half of 2022 were $1.82/lb, 68c/lb higher than in the same period last year reflecting the higher cash costs before by-product credits, and slightly lower by-product credits due to lower by-product production, partially offset by higher realised by-product prices.

COST AND COMPETITIVENESS PROGRAMME

During the first half of the year, the Cost and Competitiveness Programme achieved savings of $35 million, equivalent to $6c/lb as the Group has managed to reduce cash expenditure in some areas by optimising and negotiating third party services and increasing productivity. The Group is on track to achieve its savings target of at least $50 million for the full year.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs for the first half of the year were $51.4 million, similar to the same period last year.

TAXATION

The effective tax rate for the period was 36.5%, which compares with 37.1% during the same period in 2021 and 36.5% (before exceptional items) for the full year 2021.

CAPITAL EXPENDITURE AND DEPRECIATION & AMORTISATION

Group capital expenditure on a cash basis was $831.0 million during the period of which $301.4 million was mine development, $188.0 million was sustaining (mining) and $323.8 million was development, of which $218.5 million was on the Los Pelambres Expansion project. The balance was at the Transport division and at the corporate centre. Group capital expenditure for the full year is expected to be $1.9 billion.

Depreciation and amortisation for the first half of 2022 was $489.0 million, an increase of $6.5 million compared with the same period in 2021.

NET DEBT

Net debt at the end of the period was $491.4 million, reflecting the $1,172.2 million payment of the final dividend. The Net Debt to EBITDA ratio at the end of the period was 0.13 times. Cash flow from operations reduced to $1,682.5 million compared with $2,460.5 million in the first half of 2021.

CORPORATE BOND

The Group successfully issued its second bond, a $500 million 5.625% note due 2032. This financing further diversifies funding sources and extends the maturity profile of the Group.

DIVIDENDS

The Board has declared an interim dividend of 9.2 cents per share, equivalent to $90.7 million and a pay-out ratio of 35%, consistent with the Company's policy and previous interim dividends. Any distribution of excess cash for the year, as defined under the policy, will be made as part of the final dividend.

LABOUR AGREEMENTS

A labour negotiation with the supervisors' union at Antucoya was successfully concluded during the period before the November 2022 deadline.

There are three other labour agreements that will expire during the year, with the workers at Antucoya (September) and the supervisors at Los Pelambres (October) and Zaldívar (August).

PROPOSED MINING ROYALTY

The government presented a tax reform bill to Congress on 7 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 reviewed by the Senate before being passed to the lower house for its consideration.

CONSTITUTIONAL CONVENTION

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.

MINERAL RESOURCES

As announced on 14 June, the Company has released maiden mineral resource figures for the Encierro deposit in Chile of 522Mt of Inferred Resources at 0.79% copper equivalent. The deposit is jointly held with Barrick Gold, with Antofagasta the majority shareholder and operator.

Note: Inferred Resources are compliant with the Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Minerals Resources and Reserves 2012 edition (JORC Code). A cut-off grade of 0.5% copper has been applied. The geological model and resource estimation have been reviewed and validated by registered Competent Person (Chile) Mr. Osvaldo Galvez.

CUPROCHLOR-T®

During the first quarter of 2022 we finalised a large-scale pilot programme to validate our in-house patented primary sulphides leaching technology (Cuprochlor-T®). We conducted industrial-scale trials at Centinela using a 40,000-tonne heap of Centinela's primary sulphides. The results were consistent with previous test work, giving recoveries of 70% after approximately 200 days.

This new technology will potentially unlock value from previously uneconomic mineral resources and bring forward the profitable processing of ore otherwise scheduled to be mined in many years' time or that was previously considered to be uneconomic.

We are currently progressing studies for the primary sulphide orebody that lies below the Zaldívar reserves to evaluate if Cuprochlor-T leaching is a viable processing route.

An alternative is for idle leach pad and SX-EW capacity to be used to process material using the Cuprochlor-T technology and one area of flexibility is that the existing EW plant can process blended solutions from both oxide and chloride leach. This allows the technology to be gradually deployed during the life of each mine as appropriate for the specific situation and the use of this option is being investigated by Centinela and Antucoya as part of their annual mine planning processes.

REKO DIQ PROJECT'S ARBITRATION

In March 2022 the Company reached an agreement in principle with Barrick Gold and the Governments of Pakistan and Balochistan on a framework that provides for the reconstitution of the Reko Diq project, and a pathway for the Company to exit the project. If definitive agreements are executed and the conditions to closing are satisfied, a consortium comprising various Pakistani state-owned enterprises will acquire an interest in the project for consideration of approximately $900 million to jointly develop the project with Barrick, and Antofagasta would exit. If all the conditions are satisfied during 2022, we would expect to receive the proceeds in 2023.

AUDIT TENDER

The Group intends to undertake a competitive tender process during the second half of 2022 in respect of the appointment of the Group's external auditor with effect from 2024 onwards. The Group previously conducted a tender process during 2014, which resulted in PwC replacing the previous auditor and being appointed with effect from 2015 onwards. The tender process in respect of the 2024 audit is one year in advance of the regulatory requirement to undertake a tender at least every ten years.

FUTURE GROWTH

The Group has a pipeline of embedded growth projects across our significant mineral resource base which we are currently advancing through a disciplined process of project evaluation.

The Zaldívar Chloride Leach project was completed in January on budget and pre-stripping of the Esperanza Sur pit project was completed in July. The Los Pelambres Expansion project was 82% complete as at the end of H1 with the completion of the desalination plant expected in Q4 2022 and of the concentrator plant expansion in early 2023.

A detailed review of the Centinela Second Concentrator Plant schedule and costs has recently been updated. The capital cost estimate has been revised to $3.7 billion (up from $2.7 billion in the 2015 prefeasibility study). This increase reflects design improvements, inflation, and the results of advanced engineering and a detailed execution plan. The decision on whether to proceed with the project is scheduled for early 2023.

OUTLOOK

As previously announced, considering the impact of the concentrate pipeline incident and the risk of continued low water shortages at Los Pelambres, Group copper production guidance for the full year has been revised from 660-690,000 tonnes to 640-660,000 tonnes. The increased rate of production in H2 is based on the precipitation levels to date, the stockpiled concentrates at Los Pelambres and the expected increase in grade at Centinela Concentrates.

Following increases in diesel and other input prices, net cash cost guidance is increased to $1.65/lb, assuming market consensus estimates at the period end of by-product prices, the Chilean Peso exchange rate and inflation for the rest of the year.

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.

Although the copper price traded strongly at the beginning of the year averaging $4.49/lb in the first five months, it weakened rapidly in June, ending the half year at $3.74/lb as concerns about the speed of the economic recovery in China and the likelihood of a recession in the United States and Europe increased. These concerns were further heightened by the ongoing conflict in Ukraine and its impact on the availability of energy supplies, trade and stability, particularly in Europe. Given the current global environment of rising inflation and rising interest rates, commodity price volatility is expected to continue over the rest of the year, however the longer term fundamentals for copper remain strong.

REVIEW OF OPERATIONS AND PROJECTS

MINING DIVISION

LOS PELAMBRES

Financial performance

EBITDA at Los Pelambres was $510.6 million in the first half of 2022, a 62.1% decrease compared with $1,346.9 million in the first six months of 2021. This decrease was mainly due to a lower copper sales tonnage (41.8%) and the lower realised copper price, which was partially offset by lower operating costs during the period.

Production

In the first six months of 2022, copper production decreased by 41.9% to 98,400 tonnes compared with the same period last year, mainly driven by the expected reduced throughput, which was down 36.2% compared with the same period last year due to water restrictions arising from the drought. This decrease also includes the impact of the concentrate pipeline incident, with unfiltered copper produced during the incident but not shipped expected to be recorded as production during the balance of 2022.

Molybdenum 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.

Costs

Cash costs before by-product credits for the first six months of 2022 were $2.02/lb, 33.8% higher than in 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.

For the first six months of 2022, by-product credits were $0.70/lb, in line with the same period last year.

Net cash costs for the year to date increased by 59.0% to $1.32/lb. This reflected the higher cash costs before by-product credits.

Capital expenditure

Capital expenditure in the first six months of 2022 was $404.0 million in total of which $115.5 million was sustaining capital expenditure, $67.0 million mine development and $221.5 million was on the Los Pelambres Expansion project.

CENTINELA

Financial performance

EBITDA for the first six months of 2022 was $526.9 million, a decrease of 36.6% compared with the first half of 2021. This decrease was due to lower copper and gold sales volumes, higher operating costs and the lower copper realised price compared with the same period last year.

Production

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.

Production of copper in concentrates was 66,200 tonnes for the half year, 26.8% lower than in the same period last year, mainly due to the expected lower copper grade of 0.44% compared with 0.59% in H1 2021. This was partially offset by increased throughput, with the concentrator averaging above design capacity over the half year.

Copper cathode production for the first six months 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 H1 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.

Costs

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.

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 during the first six months of the year 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.

Capital expenditure

Capital expenditure in the first six months of 2022 was $387.2 million of which $51.5 million was sustaining capex, $233.5 million was mine development and $102.2 million was development capex, of which $44.7 million was on the Centinela Second Concentrator project.

ANTUCOYA

Financial performance

For the first half of the year, EBITDA was $153.4 million, a decrease of 3.5% compared with $159.0 million in the same period last year, due to lower copper sales volumes and higher operating costs, largely offset by the higher copper realised price.

Production

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.

Costs

During 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.

Capital expenditure

Capital expenditure in the first six months of the year was $21.9 million, almost all of which was sustaining capital expenditure.

ZALDÍVAR

Financial performance

Attributable EBITDA at Zaldívar was $104.8 million in the first half of 2022, compared with $76.4 million in the same period last year largely because of higher sales volumes, lower operating costs and the higher realised copper price.

Production

Copper production at Zaldívar 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 during the period, recoveries are projected to increase as the project ramps up.

Costs

Cash costs during 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.

Capital expenditure

In the first six months of 2022, attributable capital expenditure was $25.1 million of which $17.4 million was sustaining capital expenditure and $7.7 million was development capital expenditure.

TRANSPORT DIVISION

Financial performance

EBITDA at the Transport division was $37.4 million in the first half of 2022, a 3.9% improvement on the same period last year, as a result of higher revenue.

Transport volumes

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

Capital expenditure

Capital expenditure for the first half of the year was $13.7 million.

GROWTH PROJECTS AND OPPORTUNITIES

Los Pelambres Expansion

This expansion project is divided into two phases. Phase 1 is expected to be completed in early 2023 and Phase 2 by the end of 2025.

Phase 1

This phase is designed to optimise throughput within the limits of the existing operating, environmental and water extraction permits.

As mining progresses at Los Pelambres, ore hardness will increase. The expansion is designed to compensate for this, increasing plant throughput from the current capacity of 175,000 tonnes of ore per day to an average of 190,000 tonnes of ore per day. The expansion is divided into two sub-projects, the construction of a desalination plant and water pipeline from the coast to the El Mauro tailings storage facility, and the expansion of the concentrator plant, which includes the installation of an additional SAG mill and ball mill, and six additional flotation cells.

Annual copper production will be increased by an average of 60,000 tonnes per year over 15 years, starting at approximately 40,000 tonnes per year for the first four to five years and rising to 70,000 tonnes for the rest of the period as the hardness of the ore increases and the benefit of the higher milling capacity is fully realised.

In 2020 the decision was made to change the scope of the project and double the planned capacity of the desalination plant that is part of Phase 1 of the project, from 400 l/s to 800 l/s. However, the amount of work that can be done on the expansion of the desalination plant during Phase 1 is limited by what is allowed under the permits that have already been issued. These additional costs are included as part of the total Phase 1 capital cost.

As at the end of H1 the Los Pelambres Expansion project was 81.7% complete. The desalination plant is expected to be completed in Q4 2022 and the concentrator plant expansion in early 2023.

The desalination plant and the water pipeline are 87.5% complete and preparation for pre-commissioning is underway. The concentrator expansion site is 75.9% complete and the principal equipment (SAG and ball mills, and flotation cells) have been installed.

A detailed review of the project schedule and costs was completed in Q1 2022 resulting in the capital cost estimate for Phase 1 being increased to $2.2 billion (from $1.7 billion). Of this increase, approximately $220 million was related to the impact of COVID-19 on costs and the construction schedule, $170 million to general inflation, including increased input prices, wages, labour incentives and logistics costs, with the balance reflecting other adjustments to implementation plans and an updated contingency provision.

Phase 2 – Further expansion

Following the decision to increase the size of the desalination plant, Phase 2 of the expansion now requires two separate Environmental Impact Assessment (EIA) applications, one for the expansion of the desalination plant and one for the extension of the mine life of Los Pelambres through the permitting of an increase in the size of the El Mauro tailings storage facility. The latter EIA will also provide for the option to further increase the throughput capacity of the concentrator plant.

Desalination plant expansion

This project is to protect Los Pelambres from the future impact of climate change and the deteriorating availability of water in the region. The project cost will be reported as part of the Group's sustaining capital expenditure.

The project includes the expansion of the desalination plant and the construction of a new water pipeline from the El Mauro tailings storage facility to the concentrator plant. In 2021 Los Pelambres submitted the EIA required for this project, which includes the desalination plant expansion and two other sustaining capital infrastructure projects, the replacement of the concentrate pipeline and the construction of certain planned enclosures at the El Mauro tailings storage facility. The EIA is expected to be approved in time for the project to be completed in 2025 at which time over 95% of Los Pelambres's water needs will be from either desalinated or recycled water.

Mine life extension

The current mine life of Los Pelambres is 13 years and is limited by the capacity of the El Mauro tailings storage facility. The scope of the second EIA will include increasing the capacity of the tailings storage facility and the mine waste dumps. This will extend the mine's life by a minimum of 15 years, accessing a larger portion of Los Pelambres's six billion tonnes of mineral resources. The EIA will also provide for the option to increase throughput to 205,000 tonnes of ore per day, increasing copper production by 35,000 tonnes per year.

The feasibility study is underway and includes repowering the conveyor that runs from the primary crusher in the pit to the concentrator plant which will support the additional throughput.

The capital expenditure to extend the mine life was estimated in a pre-feasibility study in 2014 at approximately $500 million, with most of the expenditure on mining equipment and increasing the capacity of the concentrator and the El Mauro tailings facility. Community consultation is ongoing and the EIA application is being prepared.

Esperanza Sur pit

Esperanza Sur pit is 4 km south of the Esperanza pit and is close to Centinela's concentrator plant. The deposit contains 1.4 billion tonnes of reserves with a grade of 0.4% copper, 0.13g/t of gold and 0.012% of molybdenum.

Pre-stripping by a contractor has been completed and Centinela has taken over the operation of the pit using a fleet of 11 autonomous trucks. These are the first autonomous trucks to be used by the Group. Ore from the pit is now being processed at the Centinela concentrator.

The opening of the Esperanza Sur pit improves Centinela's flexibility to supply its concentrator and, over the initial years, the higher-grade material from the pit will increase production by some 10–15,000 tonnes of copper per year, compared with how much would be produced if material was solely supplied from the Esperanza pit. This greater flexibility will allow Centinela to smooth and optimise its year-on-year production profile, which has in the past been variable.

Zaldívar Chloride Leach

The project is expected to increase copper recoveries by approximately 10 percentage points with further upside in recoveries possible, depending on the type of ore being processed. This will increase copper production at Zaldívar by approximately 10–15,000 tonnes per annum over the remaining life of the mine.

The project was completed on-budget in early 2022 at a total capital cost of $190 million. The project required an upgrade of the Solvent Extraction (SX) plant, new reagents facilities and the construction of additional washing ponds for controlling the chlorine levels. Ramp-up to achieve the full improvement in recoveries is currently underway.

As the Group equity accounts for its interest in Zaldívar, capital expenditure at the operation is not included in Group total capital expenditure amounts.

Centinela Second Concentrator

The project has two phases, the first being the construction of a new concentrator and its associated infrastructure, and the second its possible expansion. The EIA for both phases was approved in 2016.

Detailed engineering and costings have recently been updated for Phase 1 of the project and key contracts finalised. The capacity of the new concentrator will be 95,000 tonnes of ore per day producing on average approximately 170,000 tonnes of copper equivalent a year over the first 10 years of operation. This will move Centinela into the first cost quartile of producers.

The Phase 1 capital cost is estimated at $3.7 billion, including the cost of the new water supply system. The increase on the previously quoted 2015 pre-feasibility estimate of $2.7 billion reflects inflation, design improvements, heightened environmental and other regulatory requirements, and the results of advanced engineering and a more detailed execution plan. The estimate includes a concentrator plant, capitalised stripping, mining equipment, a new tailings storage facility, a water pipeline and other infrastructure, pre commercial production operating costs plus owner’s and other costs.

The decision by the Board on whether to proceed with the project is scheduled for early 2023. Work on Phase 2 would only start once construction of Phase 1 is completed and it is operating successfully.

The second concentrator, and its potential further expansion to 150,000 tonnes of ore per day, will source ore initially from the recently opened Esperanza Sur pit and later from the Encuentro pit. The sulphide ore in the Encuentro pit lies under the Encuentro Oxides reserves, which are expected to be depleted by 2026. These expansions will be further steps towards Centinela maximising the potential of its large mineral resource base.

In late 2020 a tender process was started to invite third parties to provide water for Centinela's current and future operations, by acquiring the existing water supply system, and building the new water pipeline. This process is expected to be completed in Q4 2022. The outsourcing of the water supply will only proceed if it improves the net present value of the project.

Twin Metals Minnesota (TMM)

Twin Metals Minnesota (Twin Metals) is a wholly owned copper, nickel and platinum group metals (PGM) underground mining project, which holds copper, nickel/cobalt and PGM deposits in north-eastern Minnesota, US.

The project envisages mining and processing 18,000 tonnes of ore per day for 25 years and producing three separate concentrates – copper, nickel/cobalt and PGM. Twin Metals has been progressing its Mine Plan of Operations (MPO) and Scoping Environmental Assessment Worksheet Data Submittal, submitted in December 2019 to the US Bureau of Land Management (BLM) and Minnesota Department of Natural Resources (DNR), respectively. However, over the past year, while the Twin Metals project was advancing its environmental review, several actions were taken by the federal government that have changed the potential outcomes for the project.

In 2021, the US Forest Service (USFS) and BLM initiated an up to two-year study regarding the potential withdrawal of lands within the Superior National Forest (SNF), which could ultimately lead to an effective ban on mining for twenty years. This action alone would not have prevented Twin Metals from proceeding with the project.

BLM also rejected advancing Twin Metals’ preference right lease applications (PRLAs) and prospecting permit applications (PPAs), using the potential withdrawal as a rationale. Twin Metals is challenging this rejection, and has made minor changes to the project’s configuration to address it.

In early 2022, BLM took an additional action through a legal opinion issued by the Office of the Solicitor (M-Opinion). This action arbitrarily cancelled Twin Metals’ federal leases 1352 and 1353, citing concerns with the reinstatement and renewal process. Twin Metals considers the lease cancellation to be contrary to the terms of the leases and in violation of its rights.

In early 2022, BLM also stopped its evaluation of Twin Metals’ MPO, and an administrative court dismissed Twin Metals’ appeal of that decision.

Unless reversed, these actions prevent Twin Metals from continuing the project as configured in the MPO. Considering the time and uncertainty related to any legal action to challenge the government decisions, an impairment was recognised as at 31 December 2021 in respect of the intangible assets and property, plant and equipment relating to the Twin Metals project. Twin Metals is currently evaluating its options to protect its mineral rights and to respond to these legal challenges.

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2022

Results (unaudited)

	Six months ended 30.06.2022	Six months ended 30.06.2021
	Total	Total
	$m	$m
Revenue	**2,528.2**	3,591,0
EBITDA (including share of EBITDA from associates and joint ventures)	**1,237.7**	2,357.1
Total operating costs	**(1,886.9)**	(1,790.4)
Operating profit from subsidiaries	**641.3**	1,800.6
Net share of results from associates and joint ventures	**49.1**	19.4
Total profit from operations, associates and joint ventures	**690.4**	1,820.0
Net finance expense	**(10.8)**	(36.5)
Profit before tax	**679.6**	1,783.5
Income tax expense	**(247.9)**	(661.9)
Profit for the year	**431.7**	1,121.6
Attributable to:		
Non-controlling interests	**171.4**	456.3
Profit attributable to the owners of the parent	**260.3**	665.3
Basic earnings per share	**cents**	cents
Basic earnings per share from continuing operations	**26.4**	67.5

The $405.0 million decrease in the profit for the financial period attributable to the owners of the parent from $665.3 million in the first six months of 2021 to $260.3 million in the current period reflected the following factors:

	$m
Profit for the financial period attributable to the owners of the parent in H1 2021	**665.3**
Decrease in revenue	(1,062.8)
Increase in total operating costs	(96.5)
Increase in net share of profit from associates and joint ventures	29.7
Decrease in net finance expenses	25.7
Decrease in income tax expense	414.0
Decrease in non-controlling interests	284.9
	(405.0)
Profit for the financial period attributable to the owners of the parent in H1 2022	**260.3**

Revenue

The $1,062.8 million decrease in revenue from $3,591.0 million in the first six months of 2021 to $2,528.2 million in the current period reflected the following factors:

	$m
Revenue in the first six months of 2021	**3,591.0**
Decrease in copper sales volumes	(824.4)
Decrease in realised copper price	(152.8)
Decrease in treatment and refining charges	12.6
Decrease in gold revenue	(44.4)
Decrease in molybdenum revenue	(42.8)
Decrease in silver revenue	(16.7)
Increase in transport division revenue	5.7
	(1,062.8)
Revenue in the first six months of 2022	**2,528.2**

Revenue from the Mining division

Revenue in the first half of 2022 from the Mining division decreased by $1,068.5 million, or 30.5%, to $2,436.2 million, compared with $3,504.7 million in the first six months of 2021. The decrease reflected a $964.6 million decrease in copper sales and $103.9 million decrease in by-product revenue.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales decreased by $964.6 million, or 31.2%, to $2,129.7 million, compared with $3,094.3 million in the first six months of 2021. The decrease reflected the impact of $824.4 million from lower sales volumes and $152.8 million from lower realised prices, offset slightly by a $12.6 million benefit from lower treatment and refining charges.

(i) Copper volumes

Copper sales volumes reflected within revenue decreased by 26.1% from 325,100 tonnes in 2021 to 240,400 tonnes in 2022, decreasing revenue by $824.4 million. This decrease was due to lower copper sales volumes at Los Pelambres (69,200 tonnes decrease) as a result of its decreased production volumes due to the expected impact of the drought and the temporary closure of the concentrate pipeline in June, and lower sales volumes at Centinela (12,400 tonnes decrease) due to decreased production volumes reflecting expected lower ore grades.

(ii) Realised copper price

The average realised price decreased by 6.6% to $4.13/lb in the first six months of 2022 (first half of 2021 – $4.42/lb), resulting in a $152.8 million decrease in revenue. The LME average market price increased by 7.3% in H1 2022 to $4.43/lb (first half of 2021 - $4.13/lb). In the first half of 2022 there was a $206.8 million negative impact from provisional pricing adjustments, mainly reflecting the decrease in the period-end mark-to-mark copper price to $3.75/lb at 30 June 2022, compared with $4.42/lb at 31 December 2021. Conversely there had been a $282.1 million positive impact from provisional pricing adjustments in the first six months of 2021, which mainly reflected the increase in the period-end copper price to $4.26/lb at 30 June 2021, compared with $3.52/lb at 31 December 2020. In addition, during the first six months of 2022 there was nil impact in respect of realised losses from commodity hedging instruments, as all commodity hedges had matured by 31 December 2021, whereas in the first six months of 2021 there had been an $73.5 million negative impact.

Realised copper prices are determined by comparing revenue (before treatment and refining charges for concentrate sales) with sales volumes in the period. Realised copper prices differ from market prices mainly because, in line with industry practice, concentrate and cathode sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price in future periods (normally around one month after delivery to the customer in the case of cathode sales and four months after delivery to the customer in the case of concentrate sales).

Further details of provisional pricing adjustments are given in Note 6 to the condensed consolidated interim financial statements.

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate decreased by $12.6 million to $57.0 million in 2022, compared with $69.6 million in 2021, reflecting the decrease in the concentrate sales volumes at Los Pelambres and Centinela.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a “treatment and refining charge” deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. However, under the standard industry definition of unit cash costs, treatment and refining charges are regarded as an expense and part of cash costs.

Accordingly, the decrease in these charges has had a positive impact on revenue in the year.

Revenue from molybdenum, gold and other by-product sales

Revenue from by-product sales at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products decreased by $103.9 million or 25.3% to $306.5 million in the first half of 2022, compared with $410.4 million in the first six months of 2021. This decrease was mainly due to lower molybdenum and gold sales volumes.

Revenue from gold sales (net of treatment and refining charges) was $139.4 million (first half of 2021 - $183.8 million), a decrease of $44.4 million which reflected a decrease in volumes slightly offset by a 6.9% higher realised price. Gold sales volumes decreased by 29.1% from 103,700 ounces in the first half of 2021 to 73,600 ounces in the first six months of 2022, mainly due to lower gold grades and recoveries at Centinela and the expected lower throughput and gold grades at Los Pelambres. The realised gold price was $1,899.3/oz in the first half of 2022 compared with $1,776.3/oz in the first six months of 2021, reflecting the average market price for 2022 of $1,873.4/oz (2021 - $1,807.5/oz) and a positive provisional pricing adjustment of $3.7 million.

Revenue from molybdenum sales (net of roasting charges) was $141.9 million (first half of 2021 - $184.7 million), a decrease of $42.8 million. The decrease was due to lower sales volumes of 3,900 tonnes (first half of 2021 – 5,700 tonnes) partially offset by a 11.8% higher realised price of $18.0/lb (first half of 2021 – $16.1/lb).

Revenue from silver sales decreased by $16.7 million to $25.2 million (first six months of 2021 - $41.9 million). The decrease was due to lower sales volumes of 1.1 million ounces (first half of 2021 – 1.6 million ounces) and a 12.6% lower realised silver price of $23.5/oz (first six months of 2021 - $26.9/oz).

Revenue from the Transport division

Revenue from the Transport division (FCAB) increased by $5.7 million or 6.6% to $92.0 million (first six months of 2021 - $86.3 million), as a result of increased volumes transported, offset slightly by the impact of the weakening of the Chilean peso on sales denominated in the local currency.

Total operating costs

The $96.5 million increase in total operating costs from $1,790.4 million in the first half of 2021 to $1,886.9 million in the first six months of 2022 reflected the following factors:

	$m
Total operating costs in the first half of 2021	**1,790.4**
Increase in mine-site operating costs	82.0
Decrease in closure provision and other mining expenses	(4.1)
Decrease in exploration and evaluation costs	(0.9)
Increase in corporate costs	8.5
Increase in Transport division operating costs	5.1
Increase in depreciation, amortisation and loss on disposals	5.9
	96.5
Total operating costs in the first six months of 2022	**1,886.9**

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Mining division

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Mining division increased by $85.5 million to $1,340.3 million in the first half of 2022, an increase of 6.8%. Of this increase, $82.0 million was attributable to higher mine-site operating costs. This increase in mine-site costs reflected higher key input prices and general inflation, partly offset by the weaker Chilean peso, decreased sales volumes in the period and the cost savings from the Group's Cost and Competitiveness Programme. On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenue increased from $1.61/lb in the first six months of 2021 to $2.25/lb in the first half of 2022. As detailed in the alternative performance measures section on page 60 of the half-year financial report, for accounting purposes by-product credits and treatment and refining charges both form part of revenue, and don't therefore impact operating expenses.

The Cost and Competitiveness Programme was implemented to reduce the Group's cost base and improve its competitiveness within the industry. During 2022 the programme achieved benefits of $34.7 million in the mining division, of which $33.7 million reflected cost savings and $1.0 million reflected the value of productivity improvements. Of the $33.7 million of cost savings, $19.4 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and $14.3 million related to Zaldívar (on a 100% basis) and therefore impacted the share of results from associates and joint ventures.

Closure provisions and other mining expenses decreased by $4.1 million. Exploration and evaluation costs decreased by $0.9 million to $51.4 million (2021 – $52.3 million), reflecting decreased expenditure in respect of the Twin Metals project and the desalination plant expansion pre-feasibility study at Los Pelambres, offset by increased exploration expenditure, principally in Chile. Corporate costs increased by $8.5 million.

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division increased by $5.1 million to $57.6 million (first half of 2021 - $52.5 million), mainly due to higher diesel prices.

Depreciation, amortisation and disposals

The depreciation and amortisation charge increased by $5.9 million in the first half of 2022 to $489.0 million (first half of 2021 - $483.1 million). This increase is mainly due to higher amortisation of IFRIC 20 stripping costs at Centinela, largely offset by the impact of depreciation deferred in inventory at Centinela and Los Pelambres. The loss on disposal of property, plant & equipment was nil (2021 - $0.6 million).

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries decreased by $1,159.3 million or 64.4% in 2022 to $641.3 million (first half of 2021 - $1,800.6 million).

Share of results from associates and joint ventures

The Group's share of results from associates and joint ventures increased by $29.7 million to a profit of $49.1 million in the first six months of 2022, compared with $19.4 million in the first half of 2021. Of this increase, $24.1 million was due to the higher profit from Zaldívar, reflecting increased copper sales volumes and reduced cash costs.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation) decreased by $1,119.4 million or 47.5% to $1,237.7 million (first half of 2021 - $2,357.1 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division decreased by $1,120.8 million or 48.3% from $2,321.1 million in the first six months of 2021 to $1,200.3 million this half year. This reflected the lower revenue and higher mine-site costs, slightly offset by higher EBITDA from associates and joint ventures.

EBITDA at the Transport division increased by $1.4 million to $37.4 million in 2022 ($36.0 million – first half of 2021), reflecting the higher revenue and slightly increased EBITDA from associates and joint ventures, offset by the higher operating costs (linked to the price of diesel and inflation).

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for the first six months of 2022 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average US dollar / Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during the first six months of 2022, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the period. These estimates do not reflect any impact in respect of provisional pricing or hedging instruments, any potential inter-relationship between commodity price and exchange rate movements, or any impact from the retranslation or changes in valuations of assets or liabilities held on the balance sheet at the period-end.

	Average market commodity price / average exchange rate during the six months ended 30.06.22	Impact of a 10% movement in the commodity price / exchange rate on EBITDA for the six months ended 30.06.22 $m
Copper price	$4.43/lb	257
Molybdenum price	$18.7/lb	16
Gold price	$1,873/oz	14
US dollar / Chilean peso exchange rate	826	71

Net finance expense

Net finance expense decreased by $25.7 million to $10.8 million, compared with $36.5 million in 2021.

	Six months ended 30.06.22 $m	Six months ended 30.06.21 $m
Investment income	4.3	2.9
Interest expense	(34.8)	(33.5)
Other finance items	19.7	(5.9)
Net finance expense	**(10.8)**	**(36.5)**

Investment income increased from $2.9 million in 2021 to $4.3 million in 2022, mainly due to an increase in average interest rates partially offset by lower average cash and liquid investment balances.

Interest expense increased marginally from $33.5 million in 2021 to $34.8 million in 2022, reflecting an increase in the average relevant borrowing balances and an increase in the average interest rates.

Other finance items were a net gain of $19.7 million, compared with a net loss of $5.9 million in 2021, a variance of $25.6 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a $26.4 million gain in 2022 compared with a $2.4 million loss in 2021. In addition, there was an expense of $6.8 million in respect of the unwinding of the discounting of provisions (first half of 2021 – expense of $3.4 million).

Profit before tax

As a result of the factors set out above, profit before tax decreased by 61.9% to $679.6 million in the first half of 2022 (first half of 2021 - $1,783.5 million).

Income tax expense

The tax charge in the first half of 2022 decreased by $414.0 million to $247.9 million (first half of 2021 – $661.9 million) and the effective tax rate was 36.5% (first half of 2021 – 37.1%).

	Six months ended 30.06.2022 ítems		Six months ended 30.06.2021 ítems	
	$m	**%**	$m	%
Profit before tax	**679.6**		1,783.5	
Tax at the Chilean corporate tax rate of 27%	**(183.5)**	**27.0**	(481.6)	27.0
Mining Tax (royalty)	**(41.0)**	**6.0**	(128.5)	7.2
Deduction of mining royalty as an allowable expense in determination of first category tax	**11.7**	**(1.7)**	36.0	(2.0)
Withholding tax	**(32.0)**	**4.7**	(111.3)	6.2
Items not deductible from first category tax	**(13.7)**	**2.0**	(7.2)	0.4
Adjustment in respect of prior years	**(2.5)**	**0.4**	0.8	-
Tax effect of share of profit of associates and joint ventures	**13.0**	**(1.9)**	5.2	(0.3)
Impact of unrecognised tax losses on current tax	**0.1**	**0.0**	24.7	(1.4)
Tax expense and effective tax rate for the period	**(247.9)**	**36.5**	(661.9)	37.1

The effective tax rate of 36.5% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $29.3 million / 4.3% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the withholding tax relating to the remittance of profits from Chile (impact of $32.0 million / 4.7%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $13.7 million / 2.0%) and adjustments in respect of prior years (impact of $2.5 million / 0.4%), partly offset by the impact of the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $13.0 million / 1.9%).

Non-controlling interests

Profit for the first half of the year attributable to non-controlling interests was $171.4 million, compared with $456.3 million in the first half of 2021, a decrease of $284.9 million. This reflected the decrease in earnings analysed above.

Earnings per share

	Six months ended 30.06.22	Six months ended 30.06.21
	$ cents	$ cents
Basic earnings per share	**26.4**	67.5

Earnings per share calculations are based on 985,856,695 ordinary shares.

As a result of the factors set out above, profit attributable to equity shareholders of the Company was $260.3 million, compared with $665.3 million in the first half of 2021, and total earnings per share were 26.4 cents for the first half of 2022 (first half of 2021 – 67.5 cents per share).

Dividends

Dividends per share declared in relation to the period are as follows:

	Six months ended 30.06.22 $ cents	Six months ended 30.06.21 $ cents
Ordinary dividends:		
Interim	**9.2**	23.6
Total dividends to ordinary shareholders	**9.2**	23.6

The Board determines the appropriate dividend each year based on consideration of the Group's cash balance, the level of free cash flow and underlying earnings generated during the year and significant known or expected funding commitments. It is expected that the total annual dividend for each year would represent a payout ratio based on underlying net earnings for that year of at least 35%.

The Board has declared an interim dividend for the first half of 2022 of 9.2 cents per ordinary share, which amounts to $90.7 million. The interim dividend will be paid on 30 September 2022 to ordinary shareholders that are on the register at the close of business on 2 September 2022.

Capital expenditure

Capital expenditure increased by $49.1 million from $781.9 million in the first half of 2021 to $831.0 million in the current period. The capital expenditure in the first six months of 2022 included $301.4 million of IFRIC 20 stripping costs and $218.5 million in respect of the Los Pelambres Expansion project.

NB: capital expenditure figures quoted in this report are on a cash flow basis, unless stated otherwise.

Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes. At 30 June 2022 there were no derivative financial instruments in place (30 June 2021 – negative fair value of $51.1 million).

Cash flows

The key features of the cash flow statement are summarised in the following table.

	Six months ended 30.06.22 $m	Six months ended 30.06.21 $m
Cash flows from continuing operations	**1,682.5**	2,460.5
Income tax paid	(620,6)	(348.1)
Net interest paid	(26.2)	(26.5)
Capital contributions and loans to associates	-	(5.5)
Purchases of property, plant and equipment	(831.0)	(781.9)
Dividends paid to equity holders of the Company	(1,172.2)	(478.1)
Dividends paid to non-controlling interests	(80.0)	(40.0)
Dividends from associates and joint ventures	50.0	65.0
Other items	(0.1)	1.7
Changes in net debt relating to cash flows	**(997.6)**	847.1
Other non-cash movements	(23.0)	(59.3)
Effects of changes in foreign exchange rates	(11.3)	(4.5)
Movement in net debt in the period	**(1,031.9)**	783.3
Net cash/(debt) at the beginning of the year	540.5	(82.0)
Net (debt) / cash at the end of the period	**(491.4)**	701.3

Cash flows from continuing operations were $1,682.5 million in the first half of 2022 compared with $2,460.5 million in the first half of 2021. This reflected EBITDA from subsidiaries for the period of $1,130.3 million (first half of 2021 – $2,283.7 million) adjusted for the positive impact of a net working capital decrease of $569.7 million (first half of 2021 – positive impact of $187.6 million from a net working capital decrease), partly offset by the negative impact of a decrease in provisions of $17.5 million (first half of 2021 – negative impact of a decrease in provisions of $10.8 million).

The working capital decrease in the first six months of 2022 was mainly due to a decrease in receivables, reflecting lower sales volumes towards the end of the current period compared with the end of 2021, as well as the impact of a negative mark-to-market adjustment of $173.8 million at 30 June 2022 compared with a positive mark-to-market adjustment of $12.3 million at 31 December 2021.

The net cash outflow in respect of tax in the first half of 2022 was $620.6 million (first half of 2021 – $348.1 million). This amount differs from the current tax charge in the consolidated income statement of $276.1 million (first half of 2021 – $543.4 million) mainly because cash tax payments for corporate tax and the mining tax include payments on account for the current year (based on prior periods' profit levels) of $272.3 million (first half of 2021 - $286.4 million), withholding tax payments of $21.2 million (first half of 2021 - $55.1 million), the settlement of outstanding balances in respect of the previous year's tax charge of $332.2 million (first half of 2021 - $30.8 million), as well as the recovery of $5.1 million in 2021 relating to prior years (first half of 2021 – recovery of $20.0 million).

There were no contributions and loans to associates and joint ventures in the first six months of 2022 (first half of 2021 - $5.5 million).

Capital expenditure in the first half of 2022 was $831.0 million compared with $781.9 million in the first half of 2021. This included expenditure of $404.0 million at Los Pelambres (first half of 2021 – $386.7 million), $387.2 million at Centinela (first half of 2021 – $347.9 million), $21.9 million at Antucoya (first half of 2021 – $30.8 million), $4.1 million at Corporate (first half of 2021 – $6.1 million) and $13.8 million at the Transport division (first half of 2021 - $10.4 million). The increase at Centinela and Los Pelambres reflects higher mine development expenditure, partly offset by decreased expenditure at the Los Pelambres Expansion project.

Dividends paid to equity holders of the Company in the first half of 2022 were $1,172.2 million (first half of 2021 – $478.1 million), related to the payment of the final dividend declared in respect of 2021.

Dividends paid by subsidiaries to non-controlling shareholders were $80.0 million for the first half of 2022 (first half of 2021 was $40.0 million).

Financial position

	At 30.06.22	At 31.12.21
	$m	$m
Cash, cash equivalents and liquid investments	**2,878.2**	3,713.1
Total borrowings	**(3,369.6)**	(3,172.6)
Net cash/(debt) at the end of the period	**(491.4)**	540.5

At 30 June 2022 the Group had combined cash, cash equivalents and liquid investments of $2,878.2 million (31 December 2021 – $3,713.1). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $2,378.1 million (31 December 2021 – $3,299.9 million).

Total Group borrowings at 30 June 2022 were $3,369.6 million (at 31 December 2021 – $3,172.6 million). The increase of $197.0 million was mainly due to the $488.8 million receipt from the issue of the new corporate bond during the period, $327.0 million additional draw-down of the borrowing at Los Pelambres relating to the Expansion project, $50.0 million refinancing of the senior loan at Antucoya and $13.5 million of new finance leases, partly offset by a $580.6 million repayment of the senior loans at Corporate ($500.0 million), Centinela ($55.6 million) and Los Pelambres ($25.0 million), $35.0 million repayment of Antucoya's short term loan and $19.6 million of subordinated debt repayment by Antucoya.

Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was $2,513.7 million (31 December 2021 – $2,409.6 million).

This resulted in net debt at 30 June 2022 of $491.4 million (31 December 2021 – net cash $540.5 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of $135.5 million (31 December 2021 – net cash $890.3 million).

Going concern

The financial information contained in this half-year financial report has been prepared on the going concern basis. Details of the factors which have been taken into account in assessing the Group's going concern status are set out in Note 1 to the half-year financial report.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The risks and uncertainties which were analysed in the 2021 Annual Report are as follows:

- Talent management
- Labour relations
- Safety and health
- Environmental management
- Climate change
- Community relations
- Political, legal and regulatory
- Corruption
- Operations
- Tailing storage
- Strategic resources
- Cyber security
- Liquidity
- Commodity prices and exchange rates
- Growth of mineral resource base and opportunities
- Project execution
- Innovation and digitisation
- External risks

There have been no changes to the above categories of key risks in the first six months of 2022.

A detailed explanation of the risks summarised above can be found in the Risk Management section of the 2021 Annual Report, which is available at www.antofagasta.co.uk.

Cautionary statement about forward-looking statements

This half-year results announcement contains certain forward-looking statements. All statements other than historical facts are forward-looking statements. Examples of forward-looking statements include those regarding the Group's strategy, plans, objectives or future operating or financial performance, reserve and resource estimates, commodity demand and trends in commodity prices, growth opportunities, and any assumptions underlying or relating to any of the foregoing. Words such as "intend", "aim", "project", "anticipate", "estimate", "plan", "believe", "expect", "may", "should", "will", "continue" and similar expressions identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that are beyond the Group's control. Given these risks, uncertainties and assumptions, actual results could differ materially from any future results expressed or implied by these forward-looking statements, which apply only as at the date of this report. Important factors that could cause actual results to differ from those in the forward-looking statements include: natural events, global economic conditions, demand, supply and prices for copper and other long-term commodity price assumptions (as they materially affect the timing and feasibility of future projects and developments), trends in the copper mining industry and conditions of the international copper markets, the effect of currency exchange rates on commodity prices and operating costs, the availability and costs associated with mining inputs and labour, operating or technical difficulties in connection with mining or development activities, employee relations, litigation, and actions and activities of governmental authorities, including changes in laws, regulations or taxation. Except as required by applicable law, rule or regulation, the Group does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Consolidated Income Statement

	Notes	Six months ended 30.06.2022 (Unaudited) Total $m	Six months ended 30.06.2021 (Unaudited) Total $m	Excluding exceptional items 31.12.2021 (Audited) Total $m	Exceptional items note 3 31.12.2021 (Audited) Total $m	Year ended 31.12.2021 (Audited) Total $m
Revenue	5,6	**2,528.2**	3,591.0	7,470.1	-	7,470.1
Total operating costs	2	**(1,886.9)**	(1,790.4)	(3,891.1)	(177.6)	(4,068.7)
Operating profit from subsidiaries	2,5	**641.3**	1,800.6	3,579.0	(177.6)	3,401.4
Net share of results of associates and joint ventures	2,5,14	**49.1**	19.4	59.7	-	59.7
Total profit from operations, associates and joint ventures		**690.4**	1,820.0	3,638.7	(177.6)	3,461.1
Investment income		**4.3**	2.9	5.0	-	5.0
Interest expense		**(34.8)**	(33.5)	(63.4)	-	(63.4)
Other finance items		**19.7**	(5.9)	74.4	-	74.4
Net finance (expense)/income	8	**(10.8)**	(36.5)	16.0	-	16.0
Profit before tax		**679.6**	1,783.5	3,654.7	(177.6)	3,477.1
Income tax expense	9	**(247.9)**	(661.9)	(1,332.9)	90.6	(1,242.3)
Profit for the period		**431.7**	1,121.6	2,321.8	(87.0)	2,234.8
Attributable to:						
Non-controlling interests		**171.4**	456.3	917.4	27.2	944.6
Profit for the period attributable to the owners of the parent		**260.3**	665.3	1,404.4	(114.2)	1,290.2
Basic earnings per share	10	**26.4**	67.5	142.5	(11.6)	130.9

Consolidated Statement of Comprehensive Income

	Six months ended 30.06.2022 (Unaudited)	Six months ended 30.06.2021 (unaudited)	Year ended 31.12.2021 (Audited)
	$m	$m	$m
Profit for the period	**431.7**	1,121.6	2,234.8
Items that may be or were subsequently reclassified to profit or loss:			
Losses on cash flow hedges	-	(88.7)	(90.9)
Losses on fair value of cash flow hedges transferred to the income statement	-	73.5	126.8
Currency translation adjustment	**(0.7)**	0.1	(1.6)
Income tax relating to these items	-	2.7	(4.4)
Total items that may be or were subsequently reclassified to profit or loss	**(0.7)**	(12.4)	29.9
Items that will not be subsequently reclassified to profit or loss:			
Actuarial (losses)/gains on defined benefit plans	**(1.9)**	(2.7)	3.1
Losses on fair value of equity investments	**(2.1)**	(1.3)	(2.1)
Tax relating to these items	**0.7**	0.5	(2.5)
Total Items that will not be subsequently reclassified to profit or loss	**(3.3)**	(3.5)	(1.5)
Total other comprehensive (expense)/income	**(4.0)**	(15.9)	28.4
Total comprehensive income for the period	**427.7**	1,105.7	2,263.2
Attributable to:			
Non-controlling interests	**171.0**	451.9	952.8
Equity holders of the Company	**256.7**	653.8	1,310.4
Total comprehensive income for the year - continuing operations	**427.7**	1,105.7	2,263.2
	427.7	1,105.7	2,263.2

Consolidated Statement of Changes in Equity

For the six months ended 30.06.2022 (Unaudited)

	Share capital	Share premium	Other reserves	Retained earnings	**Equity attributable to equity holders of the Company**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2022	89.8	199.2	(10.4)	8,071.6	**8,350.2**	2,678.8	**11,029.0**
Profit for the period	-	-	-	260.3	**260.3**	171.4	**431.7**
Other comprehensive expense for period	-	-	(2.8)	(0.8)	**(3.6)**	(0.4)	**(4.0)**
Dividends	-	-	-	(1,172.2)	**(1,172.2)**	(80.0)	**(1,252.2)**
Balance at 30 June 2022	**89.8**	**199.2**	**(13.2)**	**7,158.9**	**7,434.7**	**2,769.8**	**10,204.5**

For the six months ended 30.06.2021 (Unaudited)

	Share capital	Share premium	Other reserves	Retained earnings	**Equity attributable to equity holders of the Company**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2021	89.8	199.2	(30.6)	7,492.2	**7,750.6**	2,330.5	**10,081.1**
Profit for the period	-	-	-	665.3	**665.3**	456.3	**1,121.6**
Other comprehensive expense for period	-	-	(10.0)	(1.5)	**(11.5)**	(4.4)	**(15.9)**
Dividends	-	-	-	(478.1)	**(478.1)**	(240.0)	**(718.1)**
Balance at 30 June 2021	**89.8**	**199.2**	**(40.6)**	**7,677.9**	**7,926.3**	**2,542.4**	**10,468.7**

For the year ended 31 December 2021 (Audited)

	Share capital	Share premium	Other reserves	Retained earnings	**Equity attributable to equity holders of the Company**	Non-controlling interests	**Total**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2021	89.8	199.2	(30.6)	7,492.2	**7,750.6**	2,330.5	**10,081.1**
Profit for the period	-	-	-	1,290.2	**1,290.2**	944.6	**2,234.8**
Other comprehensive income for period	-	-	20.2	-	**20.2**	8.2	**28.4**
Dividends	-	-	-	(710.8)	**(710.8)**	(604.5)	**(1,315.3)**
Balance at 31 December 2021	**89.8**	**199.2**	**(10.4)**	**8,071.6**	**8,350.2**	**2,678.8**	**11,029.0**

Consolidated Balance Sheet

	Notes	At 30.06.2022 (Unaudited)	At 30.06.2021 (Unaudited) Restated - see note 17	At 31.12.2021 (Audited)
Non-current assets	**Notes**	**$m**	$m	$m
Intangible assets	12	-	150.1	-
Property, plant and equipment	13	**10,924.0**	10,217.4	10,538.5
Other non-current assets		**0.6**	2.4	1.3
Inventories		**321.0**	248.2	270.4
Investments in associates and joint ventures	14	**905.2**	939.1	905.8
Trade and other receivables		**56.2**	67.5	51.2
Equity investments		**6.4**	9.8	8.7
Deferred tax assets		**74.3**	7.2	96.8
		12,287.7	11,641.7	11,872.7
Current assets				
Inventories		**699.5**	650.9	532.8
Trade and other receivables		**366.5**	646.8	1,146.1
Current tax assets		**36.0**	50.4	13.7
Derivative financial instruments		-	0.3	-
Liquid investments	17	**2,005.6**	3,461.4	2,969.7
Cash and cash equivalents	17	**872.6**	778.5	743.4
		3,980.2	5,588.3	5,405.7
Total assets		**16,267.9**	17,230.0	17,278.4
Current liabilities				
Short-term borrowings and leases	15	**(268.6)**	(547.7)	(337.1)
Derivative financial instruments		-	(51.4)	-
Trade and other payables		**(835.1)**	(994.7)	(829.1)
Short-term decommissioning & restoration provisions		**(24.7)**	(16.1)	(33.8)
Current tax liabilities		**(51.2)**	(341.6)	(374.2)
		(1,179.6)	(1,951.5)	(1,574.2)
Non-current liabilities				
Medium and long-term borrowings and leases	15	**(3,101.0)**	(2,990.9)	(2,835.5)
Trade and other payables		**(18.5)**	(13.5)	(16.8)
Liabilities in relation to joint ventures	14	**(0.9)**	(0.7)	(0.6)
Post-employment benefit obligations		**(100.6)**	(125.8)	(107.5)
Decommissioning & restoration provisions		**(301.7)**	(447.3)	(302.3)
Deferred tax liabilities		**(1,361.1)**	(1,231.6)	(1,412.5)
		(4,883.8)	(4,809.8)	(4,675.2)
Total liabilities		**(6,063.4)**	(6,761.3)	(6,249.4)
Net assets		**10,204.5**	10,468.7	11,029.0
Equity				
Share capital		**89.8**	89.8	89.8
Share premium		**199.2**	199.2	199.2
Other reserves		**(13.2)**	(40.6)	(10.4)
Retained earnings		**7,158.9**	7,677.9	8,071.6
Equity attributable to equity holders of the Company		**7,434.7**	7,926.3	8,350.2
Non-controlling interests		**2,769.8**	2,542.4	2,678.8
Total equity		**10,204.5**	10,468.7	11,029.0

The condensed consolidated interim financial statements were approved by the Board of Directors on 10 August 2022 and signed on their behalf by

Jean-Paul Luksic
Chairman

Tony Jensen
Senior Independent Director

Consolidated Cash Flow Statement

	Notes	At 30.06.2022 (Unaudited) $m	At 30.06.2021 (Unaudited) Restated - see note 17 $m	At 31.12.2021 (Audited) $m
Cash flows from operations	**16**	**1,682.5**	2,460.5	4,507.7
Interest paid		**(31.6)**	(30.9)	(60.7)
Income tax paid		**(620.6)**	(348.1)	(776.9)
Net cash from operating activities		**1,030.3**	2,081.5	3,670.1
Investing activities				
Capital contributions and loans to associates and joint ventures	**14**	**-**	(5.5)	(33.5)
Dividends from associates	**14**	**50.0**	65.0	142.5
Acquisition of mining properties		**-**	-	(4.5)
Proceeds from sale of property, plant and equipment		**0.1**	0.3	1.5
Purchases of property, plant and equipment		**(831.0)**	(781.9)	(1,773.0)
Net decrease/(increase) in liquid investments	**17**	**964.1**	(1,035.4)	(543.7)
Interest received		**5.4**	4.4	7.4
Net cash used in investing activities		**188.6**	(1,753.1)	(2,203.3)
Financing activities				
Dividends paid to equity holders of the Company		**(1,172.2)**	(478.1)	(710.8)
Dividends paid to preference shareholders of the Company		**(0.1)**	(0.1)	(0.1)
Dividends paid to non-controlling interests		**(80.0)**	(40.0)	(604.5)
Proceeds from issue of new borrowings	**17**	**866.1**	-	149.1
Repayments of borrowings	**17**	**(640.5)**	(228.5)	(694.7)
Repayments of lease obligations	**17**	**(54.6)**	(42.7)	(88.9)
Net cash used in financing activities		**(1,081.3)**	(789.4)	(1,949.9)
Net increase/(decrease) in cash and cash equivalents	**17**	**137.6**	(461.0)	(483.1)
Cash and cash equivalents at beginning of the period		**743.4**	1,246.8	1,246.8
Net increase / (decrease) in cash and cash equivalents	**17**	**137.6**	(461.0)	(483.1)
Effect of foreign exchange rate changes	**17**	**(8.4)**	(7.3)	(20.3)
Cash and cash equivalents at end of the period	**17**	**872.6**	778.5	743.4

Notes

1. General information and accounting policies

a) General information

These condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2022 have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The condensed consolidated interim financial statements are unaudited. They should be read in conjunction with the Group's 2021 Annual Report and Financial Statements. The information for the year ended 31 December 2021 does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act") but is derived from those accounts. The statutory accounts for the year ended 31 December 2021 have been approved by the Board and have been delivered to the Registrar of Companies. The auditors have reported on those accounts and their report was unqualified, with no matters included by way of emphasis, and did not contain statements under section 498(2) of the Act (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

These condensed consolidated interim financial statements have been prepared under the accounting policies as set out in the statutory accounts for the year ended 31 December 2021, other than any changes required by the implementation of new accounting standards as set out below.

The condensed consolidated interim financial statements do not include all of the notes of the type normally included in annual financial statements. Accordingly, they are to be read in conjunction with the annual report for the year ended 31 December 2021, which was prepared in accordance with UK-adopted International Accounting Standards.

The financial information contained in these condensed consolidated interim financial statements has been prepared on the going concern basis.

Going concern

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2023.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Directors' Comments, and in particular within the Review of Operations. Details of the cash flows of the Group during the period, along with its financial position at the period-end, are set out in the Financial Review. The half-year financial report includes details of the Group's cash, cash equivalents and liquid investment balances in Note 17, and details of borrowings are set out in Note 15.

When assessing the going concern status of the Group the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the terms and remaining duration of the borrowing facilities in place. The Group had a strong financial position as at 30 June 2022, with combined cash, cash equivalents and liquid investments of $2,878.2 million. Total borrowings were $3,369.6 million, resulting in a net debt position of $491.4 million.

When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile and capital expenditure. These forecasts are based on the Group's budgets and life-of-mine models, which are also used when assessing relevant accounting estimates. This analysis has focused on the existing asset base of the Group, without factoring in potential development projects, which is considered appropriate for an assessment of the Group's ability to manage the impact of a depressed economic environment. The analysis has only included the draw-down of existing committed borrowing facilities, and has not assumed that any new borrowing facilities will be put in place. The Directors have assessed the key risks which could impact the prospects of the Group over the going concern period and consider the most relevant to be risks to the copper price outlook, as this is the factor most likely to result in significant volatility in earnings and cash generation. Robust downside sensitivity analyses have been performed, assessing the impact of:

- A significant deterioration in the future copper price forecasts by 20% throughout the going concern period.
- In addition to the above deterioration in the copper price throughout the review period, an even more pronounced short-term reduction of 50 c/lb in the copper price for a period of three months.
- The Group's most significant individual operational risks. The stability of tailings storage facilities represents a potentially significant operational risk for mining operations globally. The Group's tailings storage facilities are designed to international standards, constructed using downstream methods, subject to rigorous monitoring and reporting, and reviewed regularly by an international panel of independent experts. Given these standards of design, development, operations and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.
- A shut-down of the Group's operations for a period of three months.
- Potential changes to the Chilean mining royalty, taking into account the Group's existing tax stability agreements.

These downside sensitivity analyses indicated results which could be managed in the normal course of business. The analysis indicated that the Group is expected to remain in compliance with all of the covenant requirements of its borrowings throughout the review period and retain sufficient liquidity. Based on their assessment of the Group's prospects and viability, the Directors have formed a judgement, at the time of approving the half-year results announcement, that there are no material uncertainties that the Directors are aware of that cast doubt on the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2023. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing this half-year results announcement.

b) Critical accounting judgements and key sources of estimation uncertainty

The Group's critical accounting judgements and key sources of estimation uncertainty are detailed in Note 3 to the 2021 annual report which is available at www.antofagasta.co.uk

The critical judgements relate to:

- Non-financial assets impairment
- Capitalisation of project costs within property, plant and equipment

The key sources of estimation uncertainty relate to:

- Deferred taxation

There has been no significant change to these judgements and uncertainties during the first six months of 2022.

c) Accounting standards issued but not yet effective

The following accounting standards, interpretations and amendments have been issued by the IASB, but are not yet effective:

New Standards	**Effective date (Subject to UK endorsement)**
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023
Amendments to IFRSs	**Effective date (Subject to UK endorsement)**
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates – Amendments to IAS 8	Annual periods beginning on or after January 1, 2023

2. Total profit from operations, associates and joint ventures

	Six months ended 30.06.2022 (Unaudited)	Six months ended 30.06.2021 (Unaudited)	Year ended 31.12.2021 (Audited)
	$m	$m	$m
Revenue	**2,528.2**	3,591.0	7,470.1
Cost of sales	**(1,490.6)**	(1,417.2)	(3,120.2)
Gross profit	**1,037.6**	2,173.8	4,349.9
Administrative and distribution expenses	**(294.0)**	(269.6)	(550.4)
Other operating income	**21.1**	18.5	31.8
Other operating expenses	**(123.4)**	(122.1)	(429.9)
Operating profit from subsidiaries	**641.3**	1,800.6	3,401.4
Net share of income from associates and joint ventures	**49.1**	19.4	59.7
Total profit from operations, associates and joint ventures	**690.4**	1,820.0	3,461.1

Other operating expenses comprise $51.4 million of exploration and evaluation expenditure (30 June 2021 - $52.3 million), $7.2 million in respect of the employee severance provision (30 June 2021 - $8.1 million), $6.6 million in respect of the closure provision (30 June 2021 - $4.6 million) and $58.2 million of other expenses (30 June 2021 - $57.1 million).

3. Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the underlying earnings generated by the ongoing businesses of the Group.

There were no exceptional items in the six months ended 30 June 2022.

2021 - Impairment of Twin Metals' assets

Twin Metals Minnesota (Twin Metals) is a wholly owned copper, nickel and platinum group metals (PGM) underground mining project, which holds copper, nickel and cobalt-PGM deposits in north-eastern Minnesota, US. In recent years, Twin Metals has been progressing its Mine Plan of Operations (MPO) and Scoping Environmental Assessment Worksheet Data Submittal, submitted in December 2019 to the US Bureau of Land Management (BLM) and Minnesota Department of Natural Resources (DNR), respectively. However, over the past year, while the Twin Metals project was advancing through environmental review, several actions were taken by the federal government that have changed the potential scenarios for the project.

In September 2021, the United States Forest Service (USFS) submitted an application to withdraw approximately 225,000 acres of land in the Superior National Forest from the scope of federal mineral leasing laws, subject to valid existing rights. In October 2021, the United States Bureau of Land Management (BLM) rejected Twin Metals' Preference Right Lease Applications (PRLAs) and Prospecting Permit Applications (PPAs). In January 2022, the United States Department of the Interior cancelled Twin Metals' MNES-1352 and MNES-1353 federal mineral leases. The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals' current project plan and, accordingly, it was determined that these events collectively represented an impairment trigger as at 31 December 2021.

Prior to the resulting impairment assessment being performed, as at 31 December 2021, the Group had recognised an intangible asset of $150.1 million and property, plant and equipment of $27.5 million relating to the Twin Metals project. The intangible asset arose upon the acquisition in 2015 of Duluth Metals, which owned a 60% stake in the Twin Metals project, with the carrying value of the intangible asset reflecting the consideration paid for that acquisition. The property, plant and equipment balances reflected the historical cost of acquiring those assets. These carrying values prior to the impairment did not, therefore, reflect an estimate of the commercial potential of the project as at 31 December 2021.

The Group believes that Twin Metals has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group intends to pursue validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, an impairment was recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project.

2021 - Recognition of previously unrecognised deferred tax assets

At 31 December 2021, the Group recognised $90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, in respect of Antucoya.

Antucoya continued to generate taxable profits during the first six months of 2022, supporting the continued recognition of the remaining deferred tax asset.

4. Asset sensitivities

Based on an assessment of both qualitative and quantitative factors, there were no indicators of potential impairment, or reversal of previous impairments, for the Group's non-current assets associated with its mining operations at 30 June 2022, and accordingly no impairment tests have been performed.

The quantitative element of the trigger assessment, which is based on the Group's life-of-mine models, provides an indication of what the approximate recoverable amount of the Group's operations would be, were a full impairment test under IAS 36 to be performed. This impairment indicator valuation exercise demonstrated positive headroom for all of the Group's mining operations, with the recoverable amount of the assets in excess of their carrying value.

Relevant aspects of these indicative valuation estimates include:

Fair value less costs of disposal and value in use valuations

If a full IAS 36 impairment test were to be prepared, which was not the case as at 30 June 2022, the recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation for mining companies, and accordingly the Group typically applies this valuation estimate in its impairment or valuation assessments.

Copper price outlook

The assumption to which the value of the assets is most sensitive is the future copper price. The copper price forecasts (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on the forward curve for the short term and consensus analyst forecasts for the longer term. A long-term copper price of $3.30/lb has been used in the base valuations used in the impairment indicator assessment.

Climate risks

The indicative valuations incorporate estimates of the potential future costs relating to climate risks. The Group reported against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the 2021 Annual Report. This process included scenario analyses assessing the potential future impact of transition and physical risks. In preparing this analysis, the Group used two climate scenarios to capture the broadest possible spectrum of climate-related risks and opportunities, an aggressive mitigation scenario and a high warming scenario. The total of the estimated potential transition and physical risk impacts under this approach is likely to overstate the probable overall impact, for example because if relatively aggressive actions are taken in order to minimise transition risks, this should reduce the risk of relatively significant physical impacts. However, in order to incorporate a simple and conservative estimate of the potential future costs of climate risks we combined the estimates of the potential costs of the transition risk and physical risk scenarios, and incorporated those total cost forecasts into the indicative valuations.

Chilean mining royalty

We have considered potential changes to the Chilean mining royalty as part of the indicative valuation exercise. In July 2022 the Chilean government announced its proposals for a comprehensive reform of the tax system, including proposed changes to the mining royalty. These proposals are subject to review and approval by the Chilean Congress, and so there is no certainty as to the exact nature of changes which may finally be enacted into law.

Other relevant assumptions

In addition to the above factors, the indicative valuations are sensitive to the assumptions in respect of future production levels, operating costs, the US dollar/Chilean peso exchange rate, sustaining and development capital expenditure and the discount rate used to determine the present value of the future cash flows.

A real post-tax discount rate of 8% has been used in determining the present value of the forecast future cash flow from the assets as part of the impairment indicator assessment.

In addition, the conclusion that there are no impairment indicators at Zaldívar does reflect certain assumptions about future operational considerations, which include the following:

- an Environmental Impact Assessment (EIA) has been submitted to extend the permits for water extraction (which currently expire during 2025) and general mining activities (which currently expire at the end of 2023) until 2031. Subsequent applications will be required in due course to further extend the permits beyond 2031. The indicative valuation assumes that essential permits will be extended to the end of the mine life, and other permits can be extended, or alternative solutions to enable the ongoing operation of the mine can be implemented. However, if essential permits are not extended, this is likely to be considered an indicator of a potential impairment, requiring a full impairment assessment at that point.
- Zaldívar's final pit phase, which represents approximately 20% of current ore reserves, impacts a portion of Minera Escondida's mine property, as well as infrastructure owned by third parties (road, railway, powerline and pipelines). Mining of the final pit phase is subject to agreements or easements to access these areas and relocate this infrastructure.

As noted above, the impairment indicator valuation exercise, taking into account the factors outlined above, demonstrated positive headroom for all of the Group's mining operations, with the recoverable amount of the assets in excess of their carrying value. However, for Antucoya the headroom position was more marginal relative to the other operations, and additional future negative factors (such as significant reductions in the medium- or long-term copper price outlook) may be considered indicators of potential impairment for that operation, requiring a full impairment assessment at that point.

5. Segmental analysis

The Group's reportable segments are as follows:

- Los Pelambres
- Centinela
- Antucoya
- Zaldívar
- Exploration and evaluation
- Corporate and other items
- Transport division

For management purposes, the Group is organised into two business divisions based on their products – Mining and Transport. The mining division is split further for management reporting purposes to show results by mine and exploration activity. Los Pelambres produces primarily copper concentrate and molybdenum as a by-product. Centinela produces copper concentrate containing gold as a by-product, molybdenum concentrates and copper cathodes. Antucoya and Zaldívar produce copper cathodes. The transport division provides rail and road cargo transport together with a number of ancillary services. All the operations are based in Chile. The Exploration and evaluation segment incurs exploration and evaluation expenses. "Corporate and other items" comprises costs incurred by the Company, Antofagasta Minerals S.A., the Group's mining corporate centre and other entities, that are not allocated to any individual business segment. Consistent with its internal management reporting, the Group's corporate and other items are included within the mining division.

The Chief Operating decision-maker (the Group's Chief Executive Officer) monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on the operating profit of each of the segments.

a) Segment revenues and results

For the six months ended 30.06.2022 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	950.9	1,130.3	355.0	-	-	-	**2,436.2**	92.0	**2,528.2**
Operating costs excluding depreciation	(440.3)	(603.4)	(201.6)	-	(51.4)	(43.6)	**(1,340.3)**	(57.6)	**(1,397.9)**
Depreciation and amortisation	(109.2)	(307.3)	(50.3)	-	-	(7.6)	**(474.4)**	(14.6)	**(489.0)**
Operating profit/(loss)	401.4	219.6	103.1	-	(51.4)	(51.2)	621.5	19.8	641.3
Net share of income/(loss) from associates and joint ventures	-	-	-	48.6	-	(0.3)	48.3	0.8	49.1
Investment income	1.3	1.1	0.3	-	-	1.4	4.1	0.2	4.3
Interest expense	(1.4)	(4.5)	(8.4)	-	-	(19.0)	(33.3)	(1.5)	(34.8)
Other finance items	4.0	13.4	2.1	-	-	1.3	20.8	(1.1)	19.7
Profit/(loss) before tax	405.3	229.6	97.1	48.6	(51.4)	(67.8)	**661.4**	18.2	**679.6**
Tax	(121.5)	(69.6)	(27.3)	-	-	(25.2)	**(243.6)**	(4.3)	**(247.9)**
Profit/(loss) for the period	283.8	160.0	69.8	48.6	(51.4)	(93.0)	**417.8**	13.9	**431.7**
Non-controlling interests	107.7	45.6	17.7	-	-	0.4	**171.4**	-	**171.4**
Profit/(loss) for the period attributable to owners of the parent	176.1	114.4	52.1	48.6	(51.4)	(93.4)	**246.4**	13.9	**260.3**
EBITDA[1]	510.6	526.9	153.4	104.8	(51.4)	(44.0)	**1,200.3**	37.4	**1,237.7**
Additions to non-current assets									
Capital expenditure	475.1	396.6	25.9	-	-	4.1	**901.7**	14.7	**916.4**
Segment assets and liabilities									
Segment assets	5,934.6	5,699.9	1,675.2	-	-	1,634.6	**14,944.3**	418.4	**15,362.7**
Investments in associates and joint ventures	-	-	-	898.6	-	-	**898.6**	6.6	**905.2**
Segment liabilities	(2,827.4)	(1,459.2)	(543.7)	-	-	(1,149.7)	**(5,980.0)**	(83.4)	**(6,063.4)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

[2] Operating cash outflow in the exploration and evaluation segment was $40.7 million.

For the six months ended 30.06.2021 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	1,878.7	1,289.6	336.4	-	-	-	**3,504.7**	86.3	**3,591.0**
Operating costs excluding depreciation	(531.8)	(458.1)	(177.4)	-	(52.3)	(35.2)	**(1,254.8)**	(52.5)	**(1,307.3)**
Depreciation and amortisation	(132.5)	(282.5)	(46.9)	-	-	(5.6)	**(467.5)**	(15.0)	**(482.5)**
Loss on disposals	-	-	-	-	-	-	**-**	(0.6)	**(0.6)**
Operating profit/(loss)	1,214.4	549.0	112.1	-	(52.3)	(40.8)	**1,782.4**	18.2	**1,800.6**
Net share of income/(loss) from associates and joint ventures	-	-	-	24.5	-	(5.1)	19.4	-	19.4
Investment income	0.9	0.8	0.2	-	-	1.0	2.9	-	2.9
Interest expense	(1.9)	(9.2)	(7.4)	-	-	(14.5)	(33.0)	(0.5)	(33.5)
Other finance items	(2.7)	(2.3)	(0.4)	-	-	(0.1)	(5.5)	(0.4)	(5.9)
Profit/(loss) before tax	1,210.7	538.3	104.5	24.5	(52.3)	(59.5)	**1,766.2**	17.3	**1,783.5**
Tax	(395.1)	(157.6)	(3.2)	-	-	(96.9)	**(652.8)**	(9.1)	**(661.9)**
Profit/(loss) for the period	815.6	380.7	101.3	24.5	(52.3)	(156.4)	**1,113.4**	8.2	**1,121.6**
Non-controlling interests	322.9	106.8	26.5	-	-	0.1	**456.3**	-	**456.3**
Profit/(loss) for the period attributable to owners of the parent	492.7	273.9	74.8	24.5	(52.3)	(156.5)	**657.1**	8.2	**665.3**
EBITDA[1]	1,346.9	831.5	159.0	76.4	(52.3)	(40.4)	**2,321.1**	36.0	**2,357.1**
Additions to non-current assets									
Capital expenditure [3]	464.4	368.0	40.5	-	-	12.2	**839.0**	10.6	**895.7**
Segment assets and liabilities									
Segment assets	6,171.1	6,236.6	1,704.4	-	-	1,794.9	**15,907.0**	383.9	**16,290.9**
Investments in associates and joint ventures	-	-	-	933.5	-	-	**933.5**	5.6	**939.1**
Segment liabilities	(2,873.6)	(1,875.5)	(673.2)	-	-	(1,246.3)	**(6,668.6)**	(92.7)	**(6,761.3)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2] Operating cash outflow in the exploration and evaluation segment was $40.0 million.
[3] The capital expenditure comparative figures have been restated to include $46.3 million in relation to leases that were previously only disclosed within a footnote beneath the table.

For the year ended 31.12.2021 (Audited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	3,621.0	2,981.3	697.8	-	-	-	**7,300.1**	170.0	**7,470.1**
Operating costs excluding depreciation	(1,095.0)	(1,062.0)	(360.7)	-	(103.2)	(76.0)	**(2,696.9)**	(106.3)	**(2,803.2)**
Depreciation and amortisation	(281.8)	(654.7)	(98.3)	-	-	(13.0)	**(1,047.8)**	(30.9)	**(1,078.7)**
Loss on disposals	(3.7)	(4.0)	(0.5)	-	-	-	**(8.2)**	(1.0)	**(9.2)**
Provision against the carrying value of assets[4]	-	-	-	-	(177.6)	-	**(177.6)**	-	**(177.6)**
Operating profit/(loss)	2,240.5	1,260.6	238.3	-	(280.8)	(89.0)	3,369.6	31.8	3,401.4
Net share of income/(loss) from associates and joint ventures	-	-	-	68.5	-	(9.0)	59.5	0.2	59.7
Investment income	1.4	1.5	0.3	-	-	1.7	4.9	0.1	5.0
Interest expense	(3.5)	(16.4)	(15.5)	-	-	(27.2)	(62.6)	(0.8)	(63.4)
Other finance items	41.1	26.1	4.9	-	-	5.1	77.2	(2.8)	74.4
Profit/(loss) before tax	2,279.5	1,271.8	228.0	68.5	(280.8)	(118.4)	**3,448.6**	28.5	**3,477.1**
Tax	(743.7)	(382.0)	(7.1)	-	-	(188.3)	**(1,321.1)**	(11.8)	**(1,332.9)**
Tax - exceptional items[3]	-	-	90.6	-	-	-	**90.6**	-	**90.6**
Profit/(loss) for the period	1,535.8	889.8	311.5	68.5	(280.8)	(306.7)	**2,218.1**	16.7	**2,234.8**
Non-controlling interests	607.5	252.2	84.4	-	-	0.5	**944.6**	-	**944.6**
Profit/(loss) for the period attributable to owners of the parent	928.3	637.6	227.1	68.5	(280.8)	(307.2)	**1,273.5**	16.7	**1,290.2**
EBITDA[1]	2,526.0	1,919.3	337.1	172.8	(103.2)	(84.0)	**4,768.0**	68.2	**4,836.2**
Additions to non-current assets									
Additions to property, plant and equipment	903.1	826.4	62.7	-	0.6	30.4	**1,823.2**	32.7	**1,855.9**
Segment assets and liabilities									
Segment assets	5,667.1	5,924.2	1,735.9	-	-	2,661.1	**15,988.3**	384.3	**16,372.6**
Investments in associates and joint ventures	-	-	-	900.0	-	-	**900.0**	5.8	**905.8**
Segment liabilities	(2,642.0)	(1,797.0)	(548.7)	-	-	(1,174.5)	**(6,162.2)**	(87.2)	**(6,249.4)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2] Operating cash outflow in the exploration and evaluation segment was $49.9 million.
[3] During 2021, there was an exceptional item of $90.6 million which reflects the recognition of a deferred tax asset at Antucoya (see Note 3).
[4] An impairment has been recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project, presented as an exceptional item.

b) Entity wide disclosures

Revenue by product

	Six months ended 30.06.2022	Six months ended 30.06.2021 Restated[1]	Year ended 31.12.2021
	$m	$m	$m
Copper			
- Los Pelambres	**786.9**	1,619.9	3,097.0
- Centinela concentrates	**524.7**	765.8	1,735.4
- Centinela cathodes	**406.8**	323.9	774.1
- Antucoya	**352.1**	334.1	693.3
Provision of shipping services			
- Los Pelambres	**21.9**	26.3	57.8
- Centinela concentrates	**31.3**	20.1	46.8
- Centinela cathodes	**3.2**	1.9	4.3
- Antucoya	**2.9**	2.3	4.5
Gold			
- Los Pelambres	**29.3**	45.5	91.0
- Centinela	**110.1**	138.3	345.4
Molybdenum			
- Los Pelambres	**100.1**	161.2	329.2
- Centinela	**41.8**	23.5	37.2
Silver			
- Los Pelambres	**12.7**	25.8	46.0
- Centinela	**12.4**	16.1	38.1
Total Mining	**2,436.2**	3,504.7	7,300.1
Transport division	**92.0**	86.3	170.0
	2,528.2	3,591.0	7,470.1

[1] These prior year figures have been re-presented to separately analyse revenue from the sale of products and from the provision of shipping services.

Revenue by location of customer

	Six months ended 30.06.2022	Six months ended 30.06.2021	Year ended 31.12.2021
	$m	$m	$m
Europe			
- United Kingdom	**37.6**	37.5	54.4
- Switzerland	**398.8**	778.2	1,303.7
- Spain	**0.9**	33.2	67.6
- Germany	**86.4**	62.6	121.5
- Rest of Europe	**4.6**	104.4	177.4
Latin America			
- Chile	**157.3**	139.2	282.0
- Rest of Latin America	**82.6**	110.9	214.7
North America			
- United States	**112.1**	350.5	666.5
Asia Pacific			
- Japan	**663.0**	811.6	1,842.3
- China	**562.4**	466.2	1,236.9
- Singapore	**161.3**	419.7	726.1
- South Korea	**148.6**	115.3	322.6
- Hong Kong	**25.8**	52.1	217.1
- Rest of Asia	**86.8**	109.6	237.3
	2,528.2	3,591.0	7,470.1

Information about major customers

In the first half of 2022 the Group´s mining revenue included $363.4 million related to one large customer that individually accounted for more than 10% of the Group’s revenue (six months ended 30 June 2021 – one large customer representing $458.1 million; year ended 31 December 2021 – one large customer representing $1,015.1 million).

Non-current assets by location of asset

	Six months ended 30.06.2022	Six months ended 30.06.2021 Restated	Year ended 31.12.2021
	$m	$m	$m
- Chile	**12,149.8**	11,379.0	11,715.2
- USA	**0.9**	178.2	1.0
	12,150.7	11,557.2	11,716.2

The above amounts reflect non-current assets excluding financial assets and deferred tax assets. The non-current assets shown above exclude $74.3 million ($7.2 million – 30 June 2021) of deferred tax assets, $56.2 million ($67.5 million – 30 June 2021) of receivables (being financial assets), and $6.4 million of equity investments ($9.8 million – 30 June 2021).

6. Revenue

Copper and molybdenum concentrate sale contracts and copper cathode sale contracts generally provide for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average London Metal Exchange copper price or monthly average molybdenum price for specified future periods. This normally ranges from one to four months after shipment to the customer. For sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. Gains and losses from the mark-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade receivables in the balance sheet. The Group determines mark-to-market prices using forward prices at each period-end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the absence of a futures market in the market price references for that commodity in the majority of the Group's contracts.

With sales of concentrates, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate (which is the amount recorded as revenue) reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal.

The shipping service represents a separate performance obligation, and is recognised separately from the sale of the material over time as the shipping service is provided.

An analysis of the Group's revenue is as follows:

	Six months ended 30.06.2022	Six months ended 30.06.2021	Year ended 31.12.2021
	$m	$m	$m
Revenue from contracts with customers			
Sale of products	**2,593.3**	3,136.3	6,809.0
Provision of shipping services associated with the sale of products [1]	**59.3**	50.6	113.4
Transport division [2]	**92.0**	86.3	170.0
Provisional pricing adjustments in respect of copper, gold and molybdenum	**(216.4)**	317.8	377.7
Total revenue	**2,528.2**	3,591.0	7,470.1

[1]The Group sells a significant proportion of its products on Cost, Insurance & freight (CIF) incoterms, which means that the Group is responsible for shipping the product to a destination port specified by the customer.

[2]The transport division provides rail and road cargo transport together with a number of ancillary services.

For the period ended 30 June 2022

	Los Pelambres Copper concentrate $m	Centinela Copper concentrate $m	Centinela Copper cathodes $m	Antucoya Copper cathodes $m	Los Pelambres Gold in concentrate $m	Centinela Gold in concentrate $m	Los Pelambres Molybdenum concentrate $m	Centinela Molybdenum concentrate $m
Provisionally priced sales of products	953.5	600.7	417.4	362.8	28.9	107.1	118.7	48.6
Revenue from freight services	21.9	31.3	3.2	2.9	-	-	-	-
	975.4	632.0	420.6	365.7	28.9	107.1	118.7	48.6
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(12.0)	(5.2)	(0.3)	(0.8)	-	(0.3)	5.6	0.7
Settlement of sales invoiced in the previous year	10.7	24.3	0.5	1.0	-	3.8	(4.1)	(0.6)
Total effect of adjustments to previous year invoices in the current period	(1.3)	19.1	0.2	0.2	-	3.5	1.5	0.1
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	(35.4)	(14.5)	(6.3)	(7.6)	0.5	0.9	(4.6)	1.3
Mark-to-market adjustments at the end of the current period	(101.7)	(51.8)	(4.5)	(3.3)	-	(1.1)	(7.8)	(3.6)
Total effect of adjustments to current period invoices	(137.1)	(66.3)	(10.8)	(10.9)	0.5	(0.2)	(12.4)	(2.3)
Total pricing adjustments	(138.4)	(47.2)	(10.6)	(10.7)	0.5	3.3	(10.9)	(2.2)
Realised losses on commodity derivatives	-	-	-	-	-	-	-	-
Treatment and refining charges	(28.2)	(28.8)	-	-	(0.1)	(0.3)	(7.7)	(4.5)
Revenue	808.8	556.0	410.0	355.0	29.3	110.1	100.1	41.9

The categories of revenue which are principally affected by different economic factors are the individual product types. A summary of revenue by product is set out in Note 5.

The table above sets out the impact of provisional pricing adjustments, derivative commodity instruments and treatment and refining charges for the more significant products. The revenue from these products, along with the revenue from other products and services, is reconciled to total revenue in Note 5.

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the Transport division, which are presented in the revenue by product table in Note 5 to reconcile to Group Revenue.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

For the period ended 30 June 2021

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally invoiced gross sales	1,484.0	706.4	349.3	365.0	47.6	144.6	136.7	20.9
Revenue from freight services	26.3	20.1	1.9	2.3				
	1,510.3	726.5	351.2	367.3	47.6	144.6	136.7	20.9
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(58.7)	(26.8)	0.1	(0.5)	-	(0.9)	0.2	(0.3)
Settlement of sales invoiced in the previous year	175.1	74.7	1.8	1.5	(1.0)	(4.0)	6.4	1.2
Total effect of adjustments to previous year invoices in the current period	116.4	47.9	1.9	1.0	(1.0)	(4.9)	6.6	0.9
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	107.5	59.3	8.8	7.0	(1.0)	(0.9)	19.9	2.4
Mark-to-market adjustments at the end of the current period	(45.0)	(21.2)	(0.6)	(0.9)	-	(0.2)	10.8	3.1
Total effect of adjustments to current period invoices	62.5	38.1	8.2	6.1	(1.0)	(1.1)	30.7	5.5
Total pricing adjustments	178.9	86.0	10.1	7.1	(2.0)	(6.0)	37.3	6.4
Realised losses on commodity derivatives	-	-	(35.5)	(38.0)	-	-	-	-
Treatment and refining charges	(43.0)	(26.6)	-	-	(0.1)	(0.3)	(12.8)	(3.8)
Revenue	1,646.2	785.9	325.8	336.4	45.5	138.3	161.2	23.5

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the Transport division, which are presented in the revenue by product table in Note 5 to reconcile to Group Revenue.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

For the year ended 31 December 2021

	$m	$m	$m	$m	$m	$m	$m	$m
	Los Pelambres	Centinela	Centinela	Antucoya	Los Pelambres	Centinela	Los Pelambres	Centinela
	Copper concentrate	Copper concentrate	Copper cathodes	Copper cathodes	Gold in concentrate	Gold in concentrate	Molybdenum concentrate	Molybdenum concentrate
Provisionally priced sales of products	**2,966.6**	**1,685.3**	**824.3**	**749.7**	**93.3**	**354.8**	**322.1**	**38.4**
Revenue from freight services	**57.8**	**46.8**	**4.3**	**4.5**	**-**	**-**	**-**	**-**
	3,024.4	**1,732.1**	**828.6**	**754.2**	**93.3**	**354.8**	**322.1**	**38.4**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	**(58.7)**	**(26.8)**	**0.1**	**(0.5)**	**-**	**(0.9)**	**0.2**	**(0.3)**
Settlement of sales invoiced in the previous year	**175.1**	**74.7**	**1.8**	**1.5**	**(1.0)**	**(4.0)**	**6.4**	**1.2**
Total effect of adjustments to previous year invoices in the current period	**116.4**	**47.9**	**1.9**	**1.0**	**(1.0)**	**(4.9)**	**6.6**	**0.9**
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	**92.2**	**58.8**	**10.2**	**6.0**	**(1.1)**	**(4.1)**	**30.6**	**5.8**
Mark-to-market adjustments at the end of the current period	**12.0**	**5.2**	**0.3**	**0.8**	**-**	**0.4**	**(5.7)**	**(0.7)**
Total effect of adjustments to current period invoices	**104.2**	**64.0**	**10.5**	**6.8**	**(1.1)**	**(3.7)**	**24.9**	**5.1**
Total pricing adjustments	**220.6**	**111.9**	**12.4**	**7.8**	**(2.1)**	**(8.6)**	**31.5**	**6.0**
Realised losses on commodity derivatives	**-**	**-**	**(62.6)**	**(64.2)**	**-**	**-**	**-**	**-**
Treatment and refining charges	**(90.2)**	**(61.8)**	**-**	**-**	**(0.2)**	**(0.8)**	**(24.4)**	**(7.2)**
Revenue	**3,154.8**	**1,782.2**	**778.4**	**697.8**	**91.0**	**345.4**	**329.2**	**37.2**

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the Transport division, which are presented in the revenue by product table in Note 5 to reconcile to Group Revenue.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a “treatment and refining charge” deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

(i) ***Copper concentrate***

The typical period for which sales of copper concentrate remain open until settlement occurs is a range of approximately three to four months from shipment date.

		At 30.06.2022	At 30.06.2021	At 31.12.2021
Sales	Tonnes	**114,400**	166,000	177,900
Average mark-to-market price	$/lb	**3.75**	4.25	4.41
Average provisional invoice price	$/lb	**4.36**	4.43	4.37

(ii) Copper cathodes

The typical period for which sales of copper cathodes remain open until settlement occurs is approximately one month from shipment date.

		At 30.06.2022	At 30.06.2021	At 31.12.2021
Sales	Tonnes	**11,400**	12,000	15,000
Average mark-to-market price	$/lb	**3.75**	4.25	4.42
Average provisional invoice price	$/lb	**4.06**	4.31	4.39

(iii) Gold in concentrate

The typical period for which sales of gold in concentrate remain open until settlement is approximately one month from shipment date.

		At 30.06.2022	At 30.06.2021	At 31.12.2021
Sales	Ounces	**22,600**	19,200	32,300
Average mark-to-market price	$/oz	**1,808**	1,781	1,801
Average provisional invoice price	$/oz	**1,859**	1,791	1,791

(iv) Molybdenum concentrate

The typical period for which sales of molybdenum remain open until settlement is approximately two months from shipment date.

		At 30.06.2022	At 30.06.2021	At 31.12.2021
Open Sales	Tonnes	**2,500**	1,700	2,400
Average mark-to-market price	$/lb	**17.30**	18.14	18.60
Average provisional invoice price	$/lb	**19.25**	14.31	19.65

As detailed above, the effects of gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade receivables in the balance sheet. The effect of mark-to-market adjustments on the balance sheet at the end of each period are as follows:

	Six months ended 30.06.2022	Six months ended 30.06.2021	Year ended 31.12.2021
	$m	$m	$m
Los Pelambres - copper concentrate	**(101.7)**	(45.0)	12.0
Los Pelambres - molybdenum concentrate	**(7.8)**	10.8	(5.7)
Centinela - copper concentrate	**(51.8)**	(21.2)	5.2
Centinela - molybdenum concentrate	**(3.6)**	3.1	(0.7)
Centinela - gold in concentrate	**(1.1)**	(0.2)	0.4
Centinela - copper cathodes	**(4.5)**	(0.6)	0.3
Antucoya - copper cathodes	**(3.3)**	(0.9)	0.8
	(173.8)	(54.0)	12.3

The trade and other receivables balance at 30 June 2022 was $366.5 million compared with $1,146.1 million at 31 December 2021. This decrease reflected lower sales volumes towards the end of the current period compared with the end of 2021, as well as the impact of the negative mark-to-market adjustment of $173.8 million at 30 June 2022 compared with a positive mark-to-market adjustment of $12.3 million at 31 December 2021 as shown above.

7. Financial instruments

a) Categories of financial instruments

The carrying value of financial assets and financial liabilities is shown below:

Six months ended 30.06.2022	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
	$m	$m	$m	$m
Financial assets				
Equity investments	-	6.4	-	**6.4**
Trade and other receivables	215.4	-	84.1	**299.5**
Cash and cash equivalents	-	-	872.6	**872.6**
Liquid investments	2,005.6	-	-	**2,005.6**
	2,221.0	**6.4**	**956.7**	**3,184.1**
Financial liabilities				
Trade and other payables	-	-	(848.2)	**(848.2)**
Borrowings and leases	-	-	(3,369.6)	**(3,369.6)**
	-	**-**	**(4,217.8)**	**(4,217.8)**

Six months ended 30.06.2021	At fair value through profit and loss Restated[1]	At fair value through other comprehensive income	Held at amortised cost	Total
	$m	$m	$m	$m
Financial assets				
Derivative financial assets	0.3	-	-	**0.3**
Equity investments	-	9.8	-	**9.8**
Trade and other receivables	541.9	-	107.4	**649.3**
Cash and cash equivalents (restated[1])	-	-	778.5	**778.5**
Liquid investments (restated[1])	3,461.4	-	-	**3,461.4**
	4,003.6	**9.8**	**885.9**	**4,899.3**
Financial liabilities				
Derivative financial liabilities	(51.4)	-	-	**(51.4)**
Trade and other payables	-	-	(1,018.4)	**(1,018.4)**
Borrowings and leases	-	-	(3,538.6)	**(3,538.6)**
	(51.4)	**-**	**(4,557.0)**	**(4,608.4)**

1. The 30 June 2021 financial assets have been restated to reclassify $481.5 million previously presented as cash and cash equivalents to liquid investments and this resulted in a corresponding restatement of the “at fair value through profit and loss" and "Held at amortised cost” columns in the categories of financial instruments.

For the year ended 31.12.2021	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
	$m	$m	$m	$m
Financial assets				
Equity investments	-	8.7	-	**8.7**
Trade and other receivables	1,011.7	-	83.3	**1,095.0**
Cash and cash equivalents	-	-	743.4	**743.4**
Liquid investments	2,969.7	-	-	**2,969.7**
	3,981.4	**8.7**	**826.7**	**4,816.8**
Financial liabilities				
Trade and other payables	-	-	(835.6)	**(835.6)**
Borrowings and leases	-	-	(3,172.6)	**(3,172.6)**
	-	**-**	**(4,008.2)**	**(4,008.2)**

The fair value of the fixed rate bonds included within the “Borrowings and leases” category was $877.8 million at 30 June 2022 (six months ended 30 June 2021- $483.6 million; year ended 31 December 2021 - $476.2 million) compared with their carrying value of $985.1 million (six months ended 30 June 2021 - $495.7 million; year ended 31 December 2021 - $496.1 million). The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

Fair value of financial instruments

An analysis of financial assets and financial liabilities measured at fair value is presented below:

	Six months ended 30.06.2022			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives financial assets (a)	-	-	-	**-**
Equity investments (b)	6.4	-	-	**6.4**
Trade and other receivables (c)	-	215.4	-	**215.4**
Liquid investments (d)	-	2,005.6	-	**2,005.6**
	6.4	2,221.0	-	**2,227.4**
Financial liabilities				
Derivatives financial liabilities (a)	-	-	-	**-**
Trade and other payables	-	-	-	**-**
	-	-	-	**-**

	Six months ended 30.06.2021			
	Level 1 $m	Level 2 Restated[1] $m	Level 3 $m	Total $m
Financial assets				
Derivatives financial assets (a)	-	0.3	-	**0.3**
Equity investments (b)	9.8	-	-	**9.8**
Trade and other receivables (c)	-	541.9	-	**541.9**
Liquid investments (d)	-	3,461.4	-	**3,461.4**
	9.8	4,003.6	-	**4,013.4**
Financial liabilities				
Derivatives financial liabilities (a)	-	(51.4)	-	**(51.4)**
Trade and other payables	-	-	-	**-**
	-	(51.4)	-	**(51.4)**

1. The 30 June 2021 financial assets have been restated to reclassify $481.5 million previously presented as cash and cash equivalents to liquid investments and this resulted in a corresponding restatement of the “at fair value through profit and loss" and "Held at amortised cost” columns in the categories of financial instruments.

	For the year ended 31.12.2021			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Equity investments (b)	8.7	-	-	**8.7**
Trade and other receivables (c)	-	1,011.7	-	**1,011.7**
Liquid investments (d)	-	2,969.7	-	**2,969.7**
	8.7	3,981.4	-	**3,990.1**
Financial liabilities				
Derivatives financial liabilities (a)	-	-	-	**-**
Trade and other payables	-	-	-	**-**

Recurring fair value measurements are those that are required in the balance sheet at the end of each reporting year.

a) Derivatives in designated hedge accounting relationships are valued using a discounted cash flow analysis valuation model, which includes observable credit spreads and using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. These are level 2 inputs as described below.

b) Equity investments are investments in shares on active markets and are valued using unadjusted quoted market values of the shares at the financial reporting date. These are level 1 inputs as described below.

c) Provisionally priced metal sales for the period are marked-to-market at the end of the period. Gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and trade receivables in the balance sheet. Forward prices at the end of the period are used for copper sales while period-end average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.

d) Liquid investments are highly liquid current asset investments that are valued reflecting market prices at the period end. These are level 2 inputs as described below. The HY 2021 comparative figures have been restated to reclassify these amounts from level 1 to level 2 inputs.

The inputs to the valuation techniques described above are categorised into three levels, giving the highest priority to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3 inputs):

- Level 1 fair value measurement inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurement inputs are derived from inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurement inputs are unobservable inputs for the asset or liability.

The degree to which inputs into the valuation techniques used to measure the financial assets and liabilities are observable and the significance of these inputs in the valuation are considered in determining whether any transfers between levels have occurred. In the six months ended 30 June 2022, there were no transfers between levels in the hierarchy.

b) Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. The Group does not use such derivative instruments for trading purposes. The Group has applied the hedge accounting provisions of IFRS 9 Financial Instruments. The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as hedges of future cash flows have been recognised directly in equity, with such amounts subsequently recognised in profit or loss in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in profit or loss. Realised gains and losses on commodity derivatives recognised in profit or loss are recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value. Changes in fair value are reported in profit or loss for the year.

8. Net finance income/(expense)

	Six months ended 30.06.2022 $m	Six months ended 30.06.2021 $m	Year ended 31.12.2021 $m
Investment income			
Interest receivable	**5.1**	1.5	3.4
(Losses)/gains on liquid investments held at fair value through profit or loss	**(0.8)**	1.4	1.6
	4.3	2.9	5.0
Interest expense			
Interest expense	**(34.8)**	(33.5)	(63.4)
	(34.8)	(33.5)	(63.4)
Other finance items			
Unwinding of discount on provisions	**(6.8)**	(3.4)	(6.2)
Adjustment to provision discount rates	**-**	-	30.8
Effects of changes in foreign exchange rates	**26.6**	(2.4)	49.9
Preference dividends	**(0.1)**	(0.1)	(0.1)
	19.7	(5.9)	74.4
Net finance (expense)/income	**(10.8)**	(36.5)	16.0

In the six months ended 30 June 2022, amounts capitalised and consequently not included within the above table were as follows: $14.5 million at Los Pelambres (six months ended 30 June 2021 – $10.0 million; year ended 31 December 2021 - $12.1 million) and $0.4 million at Centinela (six months ended 30 June 2021 – $0.9 million; year ended 31 December 2021 - $2.1 million). The interest expense shown above includes $3.1 million in respect of leases (six months ended 30 June 2021 – $4.2 million; year ended 31 December 2021 - $7.9 million).

9. Taxation

The tax charge for the period comprised the following:

	Six months ended 30.06.2022 $m	Six months ended 30.06.2021 $m	Year ended 31.12.2021 $m
Current tax charge			
Corporate tax (principally first category tax in Chile)	**(213.0)**	(352.8)	(560.8)
Mining tax (royalty)	**(41.9)**	(135.5)	(250.0)
Withholding tax	**(21.2)**	(55.1)	(224.7)
	(276.1)	(543.4)	(1,035.5)
Deferred tax			
Corporate tax (principally first category tax in Chile)	**36.9**	(70.1)	(237.4)
Mining tax (royalty)	**2.1**	7.9	0.9
Withholding tax	**(10.8)**	(56.3)	29.7
	28.2	(118.5)	(206.8)
Total tax charge (income tax expense)	**(247.9)**	(661.9)	(1,242.3)

The rate of first category (i.e. corporate) tax in Chile is 27.0% (2021 – 27.0%).

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile. Withholding tax is levied on remittances of profits from Chile at 35% less first category (i.e. corporation) tax already paid in respect of the profits to which the remittances relate.

The Group's mining operations are also subject to a mining tax (royalty). Production from Los Pelambres, Antucoya, Encuentro (oxides), the Tesoro North East pit and the Run-of-Mine processing at Centinela Cathodes is subject to a rate of between 5–14%, depending on the level of operating profit margin, and production from Centinela Concentrates and the Tesoro Central and Mirador pits is subject to a rate of 5% of taxable operating profit.

	Six months ended		Six months ended		Year ended		Year ended	
					Excluding exceptional items		Including exceptional items	
	30.06.2022		30.06.2021		31.12.20201		31.12.2021	
	$m	**%**	**$m**	**%**	**$m**	**%**	**$m**	**%**
Profit before tax	**679.6**		1,783.5		3,654.7		3,477.1	
Tax at the Chilean corporate tax rate of 27%	**(183.5)**	**27.0**	(481.6)	27.0	(986.8)	27.0	(938.8)	27.0
Mining Tax (royalty)	**(41.0)**	**6.0**	(128.5)	7.2	(243.8)	6.7	(243.8)	7.0
Deduction of mining royalty as an allowable expense in determination of first category tax	**11.7**	**(1.7)**	36.0	(2.0)	67.8	(1.9)	67.8	(1.9)
Withholding tax (including subtitute tax at 30% rate)	**(32.0)**	**4.7**	(111.3)	6.2	(195.0)	5.3	(195.0)	5.6
Items not deductible from first category tax	**(13.7)**	**2.0**	(7.2)	0.4	(31.6)	0.9	(31.6)	0.9
Adjustment in respect of prior years	**(2.5)**	**0.4**	0.8	-	(12.1)	0.3	(12.1)	0.3
Tax effect of share of profit of associates and joint ventures	**13.0**	**(1.9)**	5.2	(0.3)	16.1	(0.4)	16.1	(0.5)
Impact of previously unrecognised tax losses on current tax	**0.1**	**-**	-	-	52.5	(1.4)	52.5	(1.5)
Impact of recognition of previously unrecognised tax losses on deferred tax	**-**	**-**	24.7	(1.4)	-	-	90.6	(2.6)
Provision against carrying value of assets	**-**	**-**	-	-	-	-	(48.0)	1.4
Tax expense and effective tax rate for the period	**(247.9)**	**36.5**	**(661.9)**	**37.1**	**(1,332.9)**	**36.5**	**(1,242.3)**	**35.7**

The effective tax rate excluding exceptional items of 36.5% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $29.3 million / 4.3% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the withholding tax relating to the remittance of profits from Chile (impact of $32.0 million / 4.7%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $13.7 million / 2.0%) and adjustments in respect of prior years (impact of $2.5 million / 0.4%), partly offset by the impact of the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $13.0 million / 1.9%).

The main factors which could impact the sustainability of the Group's existing effective tax rate are:

- The government presented a tax reform bill to Congress on 7 July and a new proposal for the mining royalty on 11 July. The royalty proposal will be reviewed by the Senate before being passed to the lower house for its consideration. Any future changes enacted to the Chilean tax and royalty regimes as a result of this process could have a significant impact on the Group's future effective tax rate.

- The level of future distributions made by the Group's Chilean subsidiaries out of Chile, which could result in increased withholding tax charges.

- The impact of expenses which are not deductible for Chilean first category tax. Some of these expenses are relatively fixed costs, and so the relative impact of these expenses on the Group's effective tax rate will vary depending on the Group's total profit before tax in a particular year.

There are no significant tax uncertainties which would require critical judgements, estimates or potential provisions.

10. Earnings per share

	Six months ended 30.06.2022	Six months ended 30.06.2021	Year ended 31.12.2021
	$m	$m	$m
Profit for the period attributable to equity holders of the Company (exc. exceptional items)	**260.3**	665.3	1,404.4
Exceptional Items	**-**	-	(114.2)
Profit for the period attributable to equity holders of the Company (inc. exceptional items)	**260.3**	665.3	1,290.2

	Number	Number	Number
Ordinary shares in issue throughout each period	**985,856,695**	985,856,695	985,856,695

	Six months ended	Six months ended	Year ended 31.12.2021
	US cent	US cent	US cent
Basic earnings per share (exc. exceptional items)	**26.4**	67.5	142.5
Basic earnings per share (exceptional items)	**-**	-	(11.6)
Basic earnings per share (inc. exceptional items)	**26.4**	67.5	130.9

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2021: 985,856,695) ordinary shares.

There was no potential dilution of earnings per share in either year set out above, and therefore diluted earnings per share did not differ from basic earnings per share as disclosed above.

11. Dividends

The Board has declared an interim dividend of 9.2 cents per ordinary share for the 2022 half year (2021 half year – 23.6 cents per ordinary share). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 118.9 cents per ordinary share (2021 half year – 48.5 cents per ordinary share), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 30 September 2022 to ordinary shareholders that are on the register at the close of business on 2 September 2022. Shareholders can elect (on or before 5 September 2022) to receive this interim dividend in US Dollars, Pounds Sterling or Euro, and the exchange rate to be applied to interim dividends to be paid in Pounds Sterling or Euro will be set as soon as reasonably practicable after that date (which is currently anticipated to be on 9 September 2022).

Further details of the currency election timing and process (including the default currency of payment) are available on the Antofagasta plc website (www.antofagasta.co.uk) or from the Company's registrar, Computershare Investor Services PLC on +44 370 702 0159.

12. Intangible asset

	At 30.06.2022	At 30.06.2021	At 31.12.2021
	$m	$m	$m
Balance at the beginning of the year	-	150.1	150.1
Provison against carrying value	-	-	(150.1)
Balance at the end of the period	-	150.1	-

The $150.1 million intangible asset reflects the value of Twin Metals' mining licences assets included within the corporate segment. As explained in note 3, an impairment provision was recognised in respect of this asset as at 31 December 2021.

13. Property, plant and equipment

	Mining	**Railway and other transport**	**At 30.06.2022**	At 30.06.2021	At 31.12.2021
	$m	**$m**	**$m**	$m	$m
Balance at the beginning of the year	10,268.0	270.5	**10,538.5**	9,851.9	9,851.9
Additions	901.7	14.7	**916.4**	895.7	1,855.9
Additions – depreciation capitalised	34.3	-	**34.3**	37.8	72.0
Reclassifications	(5.3)	-	**(5.3)**	-	(1.6)
Capitalisation of critical spare parts	-	-	**-**	0.4	0.9
Capitalisation of interest	14.9	-	**14.9**	10.9	14.2
Adjustment to capitalised decommissioning provisions	4.6	-	**4.6**	(46.4)	(119.9)
Depreciation	(474.4)	(14.6)	**(489.0)**	(482.5)	(1,078.7)
Depreciation capitalised in PP&E	(34.3)	-	**(34.3)**	(37.8)	(72.0)
Depreciation capitalised in inventories	(56.0)	-	**(56.0)**	(9.8)	54.1
Asset disposals	-	(0.1)	**(0.1)**	(2.8)	(10.8)
Provison against carrying value of assets	-	-	**-**	-	(27.5)
Balance at the end of the period	10,653.5	270.5	**10,924.0**	10,217.4	10,538.5

During the six months ended 30 June 2022, $90.3 million of depreciation in respect of assets relating to Los Pelambres, Centinela and Antucoya has been capitalised within property, plant and equipment or inventories, and accordingly is excluded from the depreciation charge recorded in the income statement as shown in Note 5(a) (six months ended 30 June 2021- $47.6 million; year ended 31 December 2021 – $17.9 million).

At 30 June 2022, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $915.0 million (30 June 2021 - $1,170.4 million; 31 December 2021 - $599.3 million).

Depreciation capitalised in property, plant and equipment of $34.3 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (30 June 2021 – $37.8 million; 31 December 2021 - $72.0 million).

As explained in note 3, an impairment provision has been recognised in respect of $27.5 million of property, plant and equipment relating to the Twin Metals project.

14. Investment in associates and joint ventures

	ATI(i)	Minera Zaldívar(ii)	Tethyan Copper(iii)	At 30.06.2022	At 30.06.2021	At 31.12.2021
	$m	$m	$m	$m	$m	$m
Balance at the beginning of the year	5.8	900.0	-	**905.8**	914.6	914.6
Obligations on behalf of JV and associates at the beginning of the year	-	-	(0.6)	**(0.6)**	(1.1)	(1.1)
Capital contribution	-	-	-	-	5.5	9.5
Share of profit/(loss) before tax	1.0	71.8	(0.3)	**72.5**	30.6	90.2
Share of tax	(0.2)	(23.2)	-	**(23.4)**	(11.2)	(30.5)
Share of profit/(loss) from JV and associates	0.8	48.6	(0.3)	**49.1**	19.4	59.7
Dividends received	-	(50.0)	-	**(50.0)**	-	(77.5)
Balance at the end of the period	6.6	898.6	-	**905.2**	939.1	905.8
Obligations on behalf of JV at the end of the year	-	-	(0.9)	**(0.9)**	(0.7)	(0.6)

	ATI(ii)	Minera Zaldívar(iii)	Tethyan Copper(iv)	At 30.06.2022	At 30.06.2021	At 31.12.2021
	$m	$m	$m	$m	$m	$m
Net share of profit from associates and joint ventures	0.8	48.6	(0.3)	49.1	19.4	59.7

The investments which are included in the $904.3 million balance at 30 June 2022 are set out below:

Investment in associates

(i) The Group's 30% interest in ATI, which operates a concession to manage installations in the port of Antofagasta.

Investment in joint ventures

(ii) The Group's 50% interest in Minera Zaldívar SpA ("Zaldívar").

(iii) The Group's 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in the Islamic Republic of Pakistan ("Pakistan"). Tethyan has been pursuing arbitration claims against Pakistan following the unlawful denial of a mining lease for the project in 2011. Details in respect of the arbitration are set out in Note 20.

As the net carrying value of the interest in Tethyan is negative it is included within non-current liabilities, as the Group is liable for its share of the joint venture's obligations.

Summarised financial information for the associates at June 2022 is as follows:

	ATI 30.06.2022	Total 30.06.2022	Total 30.06.2021	Total 31.12.2021
	$m	$m	$m	$m
Cash and cash equivalents	0.6	**0.6**	1.1	1.2
Current assets	12.8	**12.8**	11.2	13.7
Non-current assets	95.9	**95.9**	104.0	99.3
Current liabilities	(13.8)	**(13.8)**	(18.2)	(22.5)
Non-current liabilities	(76.0)	**(76.0)**	(82.0)	(75.0)
Revenue	26.2	**26.2**	23.3	47.2
Profit from continuing operations	2.8	**2.8**	-	1.3
Total comprehensive income	**2.8**	**2.8**	-	1.3

Summarised financial information for the joint ventures at June 2022 is as follows:

	Minera Zaldívar 30.06.2022 $m	Tethyan Copper 30.06.2022 $m	Total 30.06.2022 $m	Total 30.06.2021 Restated[1] $m	Total 31.12.2021 $m
Cash and cash equivalents	80.4	2.5	**82.9**	99.4	50.0
Current assets	669.7	2.5	**672.2**	981.9	667.6
Non-current assets	1,637.6	-	**1,637.6**	1,424.3	1,675.1
Current financial liabilities (excl. trade, other payables and provisions)	(52.6)	-	**(52.6)**	(39.3)	(54.3)
Current liabilities	(149.6)	(4.8)	**(154.4)**	(170.6)	(175.3)
Non-current financial liabilities (excl. Trade, other payables and provisions)	(99.6)	-	**(99.6)**	(150.3)	(124.4)
Non-current liabilities	(173.7)	(0.1)	**(173.8)**	(146.6)	(155.2)
Revenue	436.4	-	**436.4**	394.6	849.2
Depreciation and amortisation.	(70.2)	-	**(70.2)**	(78.3)	(163.4)
Interest income	0.2	-	**0.2**	0.1	2.3
Interest expense	(0.2)	-	**(0.2)**	(0.2)	(0.5)
Income tax expense or income	(43.8)	-	**(43.8)**	(22.3)	(62.1)
Profit/(loss) after tax	97.3	(0.3)	**97.0**	38.6	119.1
Total comprehensive income/(expense)	97.3	(0.3)	**97.0**	38.6	119.1

1. The prior period comparatives have been restated to reflect the net position in respect of deferred tax assets/liabilities ($410.5 million) and to reclassify liquid investments which had been included within the cash and cash equivalents line ($179.9 million).

The above summarised financial information is based on the amounts included in the IFRS Financial Statements of the associate or joint venture (100% of the results or balances of the associate or joint venture, rather than the Group's proportionate share), after the Group's fair value adjustments.

15. Borrowings and leases

	At 30.06.2022 $m	At 30.06.2021 $m	At 31.12.2021 $m
Los Pelambres			
Senior loan	**(1,493.1)**	(1,185.2)	(1,188.3)
Leases	**(40.6)**	(77.5)	(54.8)
Centinela			
Senior loan	**(331.8)**	(441.7)	(386.8)
Subordinated debt	-	(177.2)	-
Leases	**(42.5)**	(79.6)	(59.8)
Antucoya			
Senior loan	**(248.2)**	(228.7)	(196.3)
Subordinated debt	**(165.9)**	(195.3)	(184.5)
Short-term loan	-	(75.0)	(35.0)
Leases	**(19.5)**	(27.8)	(23.4)
Corporate and other items			
Senior loan	-	(497.0)	(497.3)
Bond	**(985.1)**	(495.7)	(496.1)
Leases	**(18.2)**	(23.6)	(20.4)
Railway and other transport services			
Senior loan	**(20.5)**	(31.2)	(25.8)
Leases	**(1.9)**	(0.1)	(1.4)
Preference shares	**(2.3)**	(3.0)	(2.7)
Total	**(3,369.6)**	(3,538.6)	(3,172.6)

At 30 June 2022, $1,122.2 million (30 June 2021 – $682.3 million; 31 December 2021 - $642.7 million) of the borrowings has fixed rate interest and $2,247.4 million (30 June 2021 - $2,856.3 million; 31 December 2021 - $2,529.9 million) has floating rate interest. The Group periodically enters into interest rate derivative contracts to manage its exposure to interest rates.

In May 2022, Antofagasta plc issued a new corporate bond for $500 million with a 10-year tenor with a base spread of Treasuries plus 287.5 bps and a coupon of 5.625%.

16. Reconciliation of profit before tax to net cash inflow from operating activities

	At 30.06.2022 $m	At 30.06.2021 $m	At 31.12.2021 $m
Profit before tax	**679.6**	1,783.5	3,477.1
Depreciation and amortisation	**489.0**	482.5	1,078.7
Net loss on disposals	**-**	0.6	9.2
Net finance expense	**10.8**	36.5	(16.0)
Share of profit of associates and joint ventures (exc. exceptional items)	**(49.1)**	(19.4)	(59.7)
Provison against carrying value assets	**-**	-	177.6
(Increase)/decrease in inventories	**(161.0)**	(19.0)	10.9
Decrease /(increase) in debtors	**788.8**	292.5	(206.8)
(Decrease) /increase in creditors	**(58.1)**	(85.9)	55.7
(Decrease) in provisions	**(17.5)**	(10.8)	(19.0)
Cash flow from operations	**1,682.5**	2,460.5	4,507.7

17. Analysis of changes in net debt

	At 31.12.2021 $m	Cash flows $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Other $m	Reclassification $m	Exchange $m	**At 30.06.2022 $m**
Cash and cash equivalents	743.4	137.6	-	-	-	-	-	(8.4)	**872.6**
Liquid investments	2,969.7	(964.1)	-	-	-	-	-	-	**2,005.6**
Total	3,713.1	(826.5)	-	-	-	-	-	(8.4)	**2,878.2**
Borrowings due within one year	(268.0)	263.1	-	-	-	-	(212.3)	-	**(217.2)**
Borrowings due after one year	(2,742.1)	(488.8)	-	(7.8)	(1.0)	-	212.3	-	**(3,027.4)**
Leases due within one year	(69.1)	54.6	-	-	-	-	(36.9)	-	**(51.4)**
Leases due after one year	(90.7)	-	(13.5)	-	-	(0.7)	36.9	(3.3)	**(71.3)**
Preference shares	(2.7)	-	-	-	-	-	-	0.4	**(2.3)**
Total borrowings	(3,172.6)	(171.1)	(13.5)	(7.8)	(1.0)	(0.7)	-	(2.9)	**(3,369.6)**
Net cash/(debt)	540.5	(997.6)	(13.5)	(7.8)	(1.0)	(0.7)	-	(11.3)	**(491.4)**

Net cash/(debt)

Net cash/(debt) at the end of each period was as follows:

	At 30.06.2022 $m	At 30.06.2021[1] $m	At 31.12.2021 $m
Cash, cash equivalents and liquid investments	**2,878.2**	4,239.9	3,713.1
Total borrowings	**(3,369.6)**	(3,538.6)	(3,172.6)
Net (debt)/cash	**(491.4)**	701.3	540.5

1. The 30 June 2021 comparative balances have been restated to reclassify $481.5 million previously presented as cash and cash equivalents to liquid investments. This has no impact on the combined total cash, cash equivalents and liquid investments balance shown above. This also resulted in a corresponding restatement of the "net (increase)/decrease in liquid investments", "net cash used in investing activities" and "net increase/(decrease) in cash and cash equivalents" lines in the cash flow statement.

18. Related party transactions

a) Joint ventures

The Group has a 50% interest in Tethyan Copper Company Limited (“Tethyan”), which is a joint venture with Barrick Gold Corporation over Tethyan’s mineral interests in Pakistan. During the six months ended 30 June 2022, the Group contribution to Tethyan was nil (six months ended 30 June 2021 - $5.5 million; year ended 31 December 2021 - $9.5 million).

The Group has a 50% interest in Minera Zaldívar, which is a joint venture with Barrick Gold Corporation. During the six months ended 30 June 2022, the Group has received dividends from Minera Zaldívar of $50 million (six months ended 30 June 2021 - $65.0 million; year ended 31 December 2021 - $142.5 million).

b) Other related parties

The ultimate parent company of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested. The Company’s subsidiaries, in the ordinary course of business, enter into various sale and purchase transactions with companies also controlled by members of the Luksic family, including Banco de Chile S.A., BanChile Corredores de Bolsa S.A., ENEX S.A. and Compañía de Inversiones Adriático S.A. These transactions were all on normal commercial terms.

The Group holds a 51% interest in Antomin 2 Limited (“Antomin 2”) and Antomin Investors Limited (“Antomin Investors”), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. The Group is responsible for any exploration costs relating to the properties held by these entities. During the six months ended 30 June 2022, the Group incurred $0.1 million (30 June 2021 - $0.1 million; 31 December 2021 - $0.1 million) of exploration costs at these properties.

19. Tethyan arbitration award

In July 2019, the World Bank Group’s International Centre for Settlement of Investment Disputes (“ICSID”) awarded $5.84 billion in damages (compensation and accumulated interest as at the date of the award) to Tethyan Copper Company Pty Limited (“Tethyan”), the joint venture held equally by the Company and Barrick Gold Corporation, in relation to an arbitration claim filed against the Islamic Republic of Pakistan (“Pakistan”) following the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011.

In March 2022, the Company reached an agreement in principle with Barrick Gold and the Governments of Pakistan and Balochistan on a framework that provides for the reconstitution of the Reko Diq project, and a pathway for the Company to exit the project. If definitive agreements are executed and the conditions to closing are satisfied, a consortium comprising various Pakistani state-owned enterprises will acquire an interest in the project for consideration of approximately $900m to jointly develop the project with Barrick, and Antofagasta would exit. If all the conditions are satisfied during 2022, we would expect to receive the proceeds in 2023.

No amounts have been recognised as at 30 June 2022 pending satisfaction of the conditions to closing and reasonable certainty over the receipt of the related proceeds.

20. Litigation and contingent liabilities

The Group is subject from time to time to legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. The Group cannot predict the outcome of individual legal actions or claims or complaints or investigations. As a result, the Group may become subject to liabilities that could affect the Group’s business, financial position and reputation. Litigation is inherently unpredictable and large judgments may at times occur. The Group may incur, in the future, judgments or enter into settlements of claims that could lead to material cash outflows. The Group considers that no material loss to the Group is expected to result from the legal proceedings, claims, complaints and investigations that the Group is currently subject to. Provision is made for all liabilities that are expected to materialise through legal claims against the Group.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;

b) the half yearly financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the half yearly financial report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

c) the half yearly financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Jean-Paul Luksic
Chairman

Tony Jensen
Senior Independent Director

Independent review report to Antofagasta plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Antofagasta plc's condensed consolidated interim financial statements (the "interim financial statements") in the half yearly financial report of Antofagasta plc for the six month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2022;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half yearly financial report of Antofagasta plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half yearly financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the half yearly financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the half yearly financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
10 August 2022

Alternative performance measures (not subject to audit or review)

This preliminary results announcement includes a number of alternative performance measures, in addition to IFRS amounts. These measures are included because they are considered to provide relevant and useful additional information to users of the accounts. Set out below are definitions of these alternative performance measures, explanations as to why they are considered to be relevant and useful, and reconciliations to the IFRS figures.

a) Underlying earnings per share

Underlying earnings per share is earnings per share from continuing operations, excluding exceptional items. This measure is reconciled to earnings per share from continuing and discontinued operations (including exceptional items) on the face of the income statement. This measure is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group, excluding the impact of exceptional items which are irregular or non-operating in nature.

b) EBITDA

EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

EBITDA is considered to provide a useful and comparable indication of the current operational earnings performance of the business, excluding the impact of the historical cost of property, plant & equipment or the particular financing structure adopted by the business.

For the six months ended 30 June 2022

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	401.4	219.6	103.1	-	(51.4)	(51.2)	**621.5**	19.8	**641.3**
Depreciation and amortisation	109.2	307.3	50.3	-	-	7.6	**474.4**	14.6	**489.0**
EBITDA from subsidiaries	**510.6**	**526.9**	**153.4**	**-**	**(51.4)**	**(43.6)**	**1,095.9**	**34.4**	**1,130.3**
Proportional share of the EBITDA from associates and JVs	-	-	-	104.8	-	(0.4)	**104.4**	3.0	**107.4**
Total EBITDA	**510.6**	**526.9**	**153.4**	**104.8**	**(51.4)**	**(44.0)**	**1,200.3**	**37.4**	**1,237.7**

For the six months ended 30 June 2021

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	1,214.4	549.0	112.1	-	(52.3)	(40.8)	**1,782.4**	18.2	**1,800.6**
Depreciation and amortisation	132.5	282.5	46.9	-	-	5.6	**467.5**	15.0	**482.5**
Profit on disposals	-	-	-	-	-	-	-	0.6	**0.6**
EBITDA from subsidiaries	**1,346.9**	**831.5**	**159.0**	**-**	**(52.3)**	**(35.2)**	**2,249.9**	**33.8**	**2,283.7**
Proportional share of the EBITDA from associates and JVs	-	-	-	76.4	-	(5.2)	**71.2**	2.2	**73.4**
Total EBITDA	**1,346.9**	**831.5**	**159.0**	**76.4**	**(52.3)**	**(40.4)**	**2,321.1**	**36.0**	**2,357.1**

For the year ended 31 December 2021

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	2,240.5	1,260.6	238.3	-	(280.8)	(89.0)	**3,369.6**	31.8	**3,401.4**
Depreciation and amortisation	281.8	654.7	98.3	-	-	13.0	**1,047.8**	30.9	**1,078.7**
Profit on disposals	3.7	4.0	0.5	-	-	-	**8.2**	1.0	**9.2**
Provision Provision against the carrying value of assets[1]	-	-	-	-	177.6	-	**177.6**	-	**177.6**
EBITDA from subsidiaries	**2,526.0**	**1,919.3**	**337.1**	**-**	**(103.2)**	**(76.0)**	**4,603.2**	**63.7**	**4,666.9**
Proportional share of the EBITDA from associates and JVs	-	-	-	172.8	-	(8.0)	**164.8**	4.5	**169.3**
Total EBITDA	**2,526.0**	**1,919.3**	**337.1**	**172.8**	**(103.2)**	**(84.0)**	**4,768.0**	**68.2**	**4,836.2**

1. An impairment has been recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project, presented as an exceptional item.

c) Net Earnings

Net Earnings represent profit for the period attributable to the owners of the parent

d) Cash costs

Cash costs are a measure of the cost of operational production expressed in terms of cents per pound of payable copper produced.

This is considered to be a useful and relevant measure as it is a standard industry measure applied by most major copper mining companies which reflects the direct costs involved in producing each pound of copper. It therefore allows a straightforward comparison of the unit production cost of different mines, and allows an assessment of the position of a mine on the industry cost curve. It also provides a simple indication of the profitability of a mine when compared against the price of copper (per lb).

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure.

	At 30.06.2022	At 30.06.20211	At 31.12.2021
Reconciliation of cash costs excluding treatment & refining charges and by-product revenue:			
Total Group operating costs (Note 5) ($m)	**1,886.9**	1,790.4	4,068.7
Zaldívar operating costs	**106.2**	112.1	231.7
Less:			
Total – Depreciation and amortisation (Note 5) ($m)	**(489.0)**	(482.5)	(1,078.7)
Total – Loss on disposal (Note 5) ($m)	**-**	(0.6)	(9.2)
Provision against the carrying value of assets	**-**	-	(177.6)
Elimination of non-mining operations			
Corporate and other items – Total operating cost (Note 5) ($m)	**(43.5)**	(35.0)	(76.0)
Exploration and evaluation – Total operating cost (Note 5) ($m)	**(51.4)**	(52.3)	(103.2)
Railway and other transport services – Total operating cost (Note 5) ($m)	**(57.6)**	(52.5)	(106.3)
Closure provision and other expenses not included within cash costs ($m)	**(43.5)**	(47.6)	(90.7)
Inventories Variations	**31.3**	50.8	2.1
Total cost relevant to the mining operations' cash costs ($m)	**1,339.4**	1,282.8	2,660.8
Copper production volumes (tonnes)	**268,630**	361,480	721,450
Cash costs excluding treatment & refining charges and by-product revenue ($/tonne)	**4,986**	3,549	3,688
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.25**	1.61	1.68

d) Cash costs (continued)

	At 30.06.2022	At 30.06.2021	At 31.12.2021
Reconciliation of cash costs before deducting by-products:			
Treatment & refining charges - copper and subproducts- Los Pelambres (Note 5)	**36.2**	56.2	115.4
Treatment & refining charges - copper and subproducts- Centinela (Note 5)	**33.8**	30.9	70.4
Treatment & refining charges - copper – total	**70.0**	87.1	185.8
Copper production volumes (tonnes)	**268,630**	361,480	721,450
Treatment & refining charges ($/tonne)	**260.3**	241.0	257.6
Treatment & refining charges ($/lb)	**0.12**	0.12	0.11
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.25**	1.61	1.68
Treatment & refining charges ($/lb)	**0.12**	0.12	0.11
Cash costs before deducting by-products (S/lb)	**2.37**	1.73	1.79

	At 30.06.2022	At 30.06.2021	At 31.12.2021
Reconciliation of cash costs (net of by-products):			
Gold revenue - Los Pelambres (Note 5) ($m)	**29.4**	45.6	91.2
Gold revenue - Centinela (Note 5) ($m)	**110.3**	138.6	346.2
Molybdenum revenue - Los Pelambres (Note 5) ($m)	**107.8**	174.2	353.6
Molybdenum revenue - Centinela (Note 5) ($m)	**46.5**	27.2	44.4
Silver revenue - Los Pelambres (Note 5) ($m)	**12.9**	25.9	46.6
Silver revenue - Centinela (Note 5) ($m)	**12.6**	16.3	38.7
Total by-product revenue ($m)	**319.5**	427.8	920.7
Copper production volumes (tonnes)	**268,630**	361,480	721,450
By-product revenue ($/tonne)	**1,189.4**	1,183.5	1,276.0
By-product revenue ($/lb)	**0.55**	0.59	0.59
Cash costs before deducting by-products (S/lb)	**2.37**	1.73	1.79
By-product revenue ($/lb)	**(0.55)**	(0.59)	(0.59)
Cash costs (net of by-products) ($/lb)	**1.82**	1.14	1.20

The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

e) **Attributable cash, cash equivalents & liquid investments, borrowings and net debt**

Attributable cash, cash equivalents & liquid investments, borrowings and net debt reflects the proportion of those balances which are attributable to the equity holders of the Company, after deducting the proportion attributable to the non-controlling interests in the Group's subsidiaries.

This is considered to be a useful and relevant measure as the majority of the Group's cash tends to be held at the corporate level and therefore 100% attributable to the equity holders of the Company, whereas the majority of the Group's borrowings tend to be at the level of the individual operations, and hence only a proportion is attributable to the equity holders of the Company.

		June 2022			June 2021	
	Total amount $m	**Attributable share**	**Attributable amount $m**	Total amount $m	Attributable share	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**784.3**	**60%**	**470.6**	1,381.1	60%	828.7
Centinela	**447.8**	**70%**	**313.5**	1,176.0	70%	823.2
Antucoya	**173.4**	**70%**	**121.4**	232.8	70%	163.0
Corporate	**1,404.4**	**100%**	**1,404.4**	1,400.1	100%	1,400.1
Railway and other transport services	**68.3**	**100%**	**68.3**	49.9	100%	49.9
Total	**2,878.2**		**2,378.2**	4,239.9		3,264.9
Borrowings:						
Los Pelambres (Note 15)	**(1,533.7)**	**60%**	**(920.2)**	(1,262.7)	60%	(757.6)
Centinela (Note 15)	**(374.3)**	**70%**	**(262.0)**	(698.5)	70%	(489.0)
Antucoya (Note 15)	**(433.6)**	**70%**	**(303.5)**	(526.8)	70%	(368.8)
Corporate (Note 15)	**(1,005.6)**	**100%**	**(1,005.6)**	(1,019.3)	100%	(1,019.3)
Railway and other transport services (Note 15)	**(22.4)**	**100%**	**(22.4)**	(31.3)	100%	(31.3)
Total (Note 15)	**(3,369.6)**		**(2,513.7)**	(3,538.6)		(2,666.0)
Net (debt)/cash	**(491.4)**		**(135.5)**	701.3		598.9

Production and Sales Statistics (not subject to audit or review)

a) Production and sales volumes for copper, gold and molybdenum

	Production			Sales		
	Six months ended 30.06.2022	Six months ended 30.06.2021	Year ended 31.12.2021	**Six months ended 30.06.2022**	Six months ended 30.06.2021	Year ended 31.12.2021
Copper	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**98.401**	169.3	324.7	**96.3**	165.5	324.5
Centinela	**111.3**	132.1	274.2	**107.0**	119.4	276.1
Antucoya	**36.4**	39.5	78.6	**37.1**	40.1	80.4
Zaldívar	**22.5**	20.6	44	**22.7**	21.1	44.6
Group total	**268.6**	361.5	721.5	**263.1**	346.1	725.6
Gold	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**15.4**	28.0	53.2	**15.2**	25.8	51.1
Centinela	**58.4**	92.5	199.0	**58.3**	77.9	193.5
Group total	**73.8**	120.5	252.2	**73.5**	103.7	244.6
Molybdenum	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**2.7**	5.1	9.2	**2.7**	4.9	9.2
Centinela	**1.3**	0.7	1.3	**1.2**	0.8	1.2
Group total	**4.0**	5.8	10.5	**3.9**	5.7	10.4
Silver	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**568.2**	1,006.0	1,927.5	**548.2**	960.8	1,856.8
Centinela	**544.6**	693.0	1,578.3	**537.9**	609.2	1565.7
Group total	**1,112.8**	1,699.0	3,505.8	**1,086.1**	1,570.0	3,422.5

b) Cash costs per pound of copper produced and realised prices per pound of copper and molybdenum sold

	Cash costs			Realised prices		
	Six months ended 30.06.2022 $/lb	Six months ended 30.06.2021 $/lb	Year ended 31.12.2021 $/lb	**Six months ended 30.06.2022 $/lb**	Six months ended 30.06.2021 $/lb	Year ended 31.12.2021 $/lb
Copper						
Los Pelambres	**1.32**	0.83	0.89	**3.94**	4.63	4.54
Centinela	**1.98**	1.08	1.13	**4.22**	4.33	4.31
Antucoya	**2.50**	2.04	2.04	**4.34**	3.80	3.94
Zaldivar (attributable basis – 50%)	**2.14**	2.46	2.39	**-**	-	-
Group weighted average (net of by-products)	**1.82**	1.14	1.20	**4.13**	4.42	4.37
Group weighted average (before deducting by-products)	**2.37**	1.73	1.79			
Group weighted average (before deducting by-products and excluding treatment & refining charges from concentrate)	**2.25**	1.61	1.68			
Cash costs at Los Pelambres comprise:						
On-site and shipping costs	**1.85**	1.36	1.43			
Treatment & refining charges for concentrates	**0.17**	0.15	0.15			
Cash costs before deducting by-product credits	**2.02**	1.51	1.59			
By-product credits (principally molybdenum)	**(0.70)**	(0.68)	(0.70)			
Cash costs (net of by-product credits)	**1.32**	0.83	0.89			
Cash costs at Centinela comprise:						
On-site and shipping costs	**2.54**	1.68	1.75			
Treatment & refining charges for concentrates	**0.14**	0.12	0.12			
Cash costs before deducting by-product credits	**2.68**	1.80	1.87			
By-product credits (principally gold)	**(0.70)**	(0.72)	(0.74)			
Cash costs (net of by-product credits)	**1.98**	1.08	1.13			
LME average copper price				**4.43**	4.13	4.23
Gold				$/oz	$/oz	$/oz
Los Pelambres				**1,930**	1,769	1,783
Centinela				**1,891**	1,779	1,789
Group weighted average				**1,899**	1,776	1,788
Market average price				**1,873**	1,808	1,799
Molybdenum				$/lb	$/lb	$/lb
Los Pelambres				**18.1**	16.0	17.5
Centinela				**17.7**	16.2	17.2
Group weighted average				**18.0**	16.1	17.4
Market average price				**18.7**	12.7	15.9
Silver				$/oz	$/oz	$/oz
Los Pelambres				**23.5**	27.0	25.1
Centinela				**23.4**	26.8	24.7
Group weighted average				**23.5**	26.9	24.9
Market average price				**23.3**	26.5	25.2

Notes to the production and sales statistics

(i) For the Group's subsidiaries, the production and sales figures reflect the total amounts produced and sold by the mine, not the Group's share of each mine. The Group owns 60% of Los Pelambres, 70% of Centinela and 70% of Antucoya. For the Zaldívar joint venture, the production and sales figures reflect the Group's proportional 50% share.

(ii) Los Pelambres produces copper and molybdenum concentrates, Centinela produces copper concentrate and copper cathodes and Antucoya and Zaldívar produce copper cathodes. The figures for Los Pelambres and Centinela are expressed in terms of payable metal contained in concentrate and in cathodes. Los Pelambres and Centinela are also credited for the gold and silver contained in the copper concentrate sold. Antucoya and Zaldívar produce cathodes with no by-products.

(iii) Cash costs are a measure of the cost of operational production expressed in terms of cents per pound of payable copper produced, with sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount is the net of the market value of fully refined metal less the treatment and refining charges. Under the standard industry definition of cash costs, treatment and refining charges are regarded as an expense and part of the total cash cost figure. Cash costs are stated net of by-product credits. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporate tax for all four operations.

(iv) Realised copper prices are determined by comparing revenue from copper sales (before deducting treatment and refining charges for concentrates) with sales volumes for each mine in the period. Realised molybdenum and gold prices are calculated on a similar basis. Realised prices reflect gains and losses on commodity derivatives, which are included within revenue.

(v) The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

(vi) The production information and the cash cost information is derived from the Group's production report for the second quarter of 2022, published on 20 July 2022.