



ANTOFAGASTA PLC

Developing mining for a better future

2022
Half Year
Results

11th August 2022



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Agenda

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



ANTOFAGASTA PLC

Overview

2022 HY Results

Iván Arriagada | Chief Executive Officer



Developing mining...

2022 HY highlights



Safety

Our top priority

- HPIs¹ decreased by 21% during H1 2022
- LTIFR² decreased by 23% in H1
- Improved use of lessons learned from HPIs and LTIFR to reduce risk of fatalities and injuries

¹ High Potential Incidents

² Lost Time Injury Frequency Rate (per million hours worked)



Production

Resilient operations

- Copper production 268,600 tonnes at a net cash cost of \$1.82/lb
- Centinela and Antucoya plants consistently performing at or above design capacity
- Challenges:
 - Water shortage and pipeline incident at Los Pelambres
 - Higher input prices



Financial

Strong balance sheet

- \$2.5 billion revenue – lower sales volume and realised copper price
- \$1.2 billion EBITDA and 49% EBITDA margin
- 0.13x net debt/EBITDA ratio
- 9.2 cps dividend, 35% pay-out ratio

... for a better future

2022 HY highlights



Environment

Climate change

- All mining operations using 100% renewable energy since April
- 2025 emission reduction and 2050 carbon neutrality targets on track
- Sea and recirculated water on track to be more than 90% of operational use by 2025
- Los Pelambres desalination plant 87.5% complete
- Updated biodiversity standard with emphasis on mitigation
- Antucoya awarded the Copper Mark



Communities

Key stakeholders

- Water programmes to help ensure access to potable water in region
- Launched ESG assessment of suppliers' sustainability practices
- Supporting digital connectivity across Choapa Province



Growth opportunities

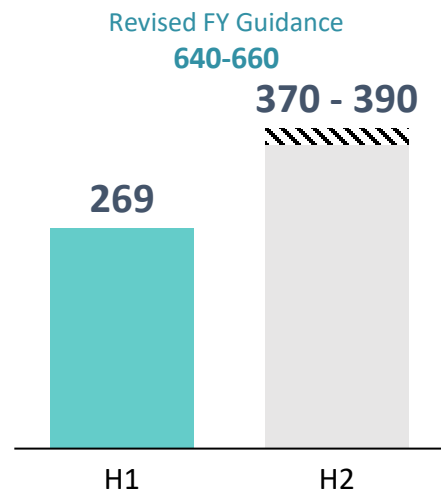
Creating value

- Los Pelambres project completion:
 - Desalination plant Q4 2022
 - Concentrator plant expansion early 2023
- Centinela second concentrator project updated
- Cuprochlor-T¹ large-scale test completed
- Encierro and Cachorro mineral resources announced

2022 Guidance

Copper production

2022 Group production (kt)



640-660,000 tonnes – decrease reflects Los Pelambres concentrate pipeline incident and water shortage

Production expected to increase quarter on quarter

Los Pelambres

- Concentrates stockpiled at plant move to port by October 2022
- Desalination plant completion resolves water availability constraint

Centinela

- Grades improve at Centinela Concentrates in H2

Net cash costs

- \$1.65/lb, increase reflects revised production guidance and input prices
- Consensus Chilean peso FX rate and by-product prices used¹ for H2

Capital expenditure

- \$1.9 billion, unchanged

¹ FX rate \$1=CLP900, Au \$1,875/oz, Mo \$17.5/lb, WTI \$100/bbl

Current political and fiscal events in Chile



Proposed new mining royalty

- New proposal presented to the Senate in July for its consideration
- Will then be passed to the Lower House
- The industry is engaging with the government to provide its perspective



Constitutional Convention

- 4th July - final draft proposed Constitution presented to the Government
- 4th September - national referendum to approve or reject proposal

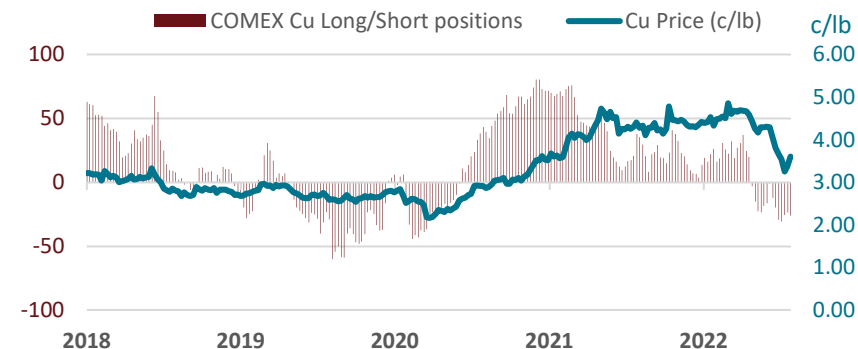
Copper market

Fundamentals supportive of future prices

Short term outlook

- Exchange stockpiles very low and constraints on logistics of supply chains
- Supply outlook is being revised downwards by many producers
- Signs of demand growth recovery in China
- Financial markets moved to net short position, pushing down the copper price

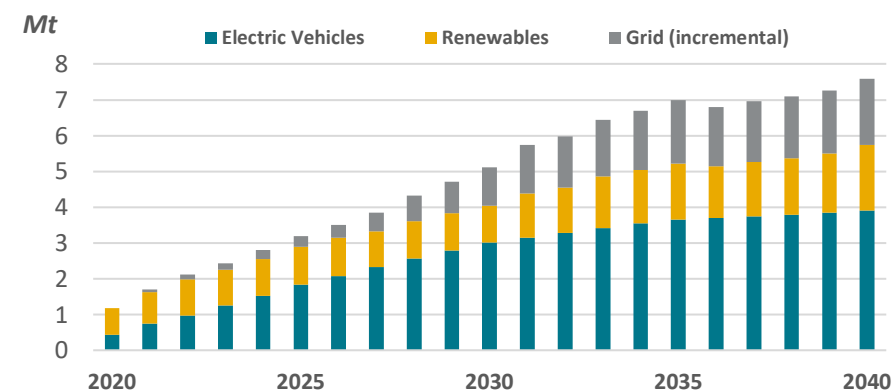
Net long / short position ¹



Longer term outlook

- Renewable and electromobility demand key
- Continued falling grades and increasing ore hardness
- Scarcity of major new projects
- Urbanisation continues to drive long-term growth
- Supply shortage expected to be partially met by increased scrap supply

Electric vehicles and renewables consumption ²



¹ Source: Bloomberg

² Source: CRU



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Financial Review

2022 HY Results

Mauricio Ortiz | Chief Financial Officer



2022 HY financial highlights

Strong balance sheet to weather current challenges

Revenue \$2.5bn ↓ 30%	Net cash costs \$1.82/lb ↑ 60%	EBITDA \$1.2bn ↓ 47%	EBITDA margin¹ 49% ↓ 17 ppt
Underlying earnings 26.4 c/share ↓ 61%	Balance sheet Net debt/EBITDA ² 0.13x	LTM ROCE 23% ↓ 6 ppt	Dividends per share 9.2 c/share ↓ 61% 35% pay-out ratio

1 EBITDA Margin calculated as EBITDA/Revenue. If Associates and JVs revenue is included EBITDA margin was 44.6%

2 Moved from net cash of \$541 million in December 2021 to net debt of \$491 million in June 2022

2022 HY operating performance

268,600 tonnes at \$1.82/lb



Los Pelambres

Cu production
98,400 tonnes
Net cash costs \$1.32/lb



Centinela

Cu production
111,300 tonnes
Net cash costs \$1.98/lb



Antucoya

Cu production
36,400 tonnes
Net cash costs \$2.50/lb



Zaldívar

Cu production ¹
22,500 tonnes
Net cash costs \$2.14/lb

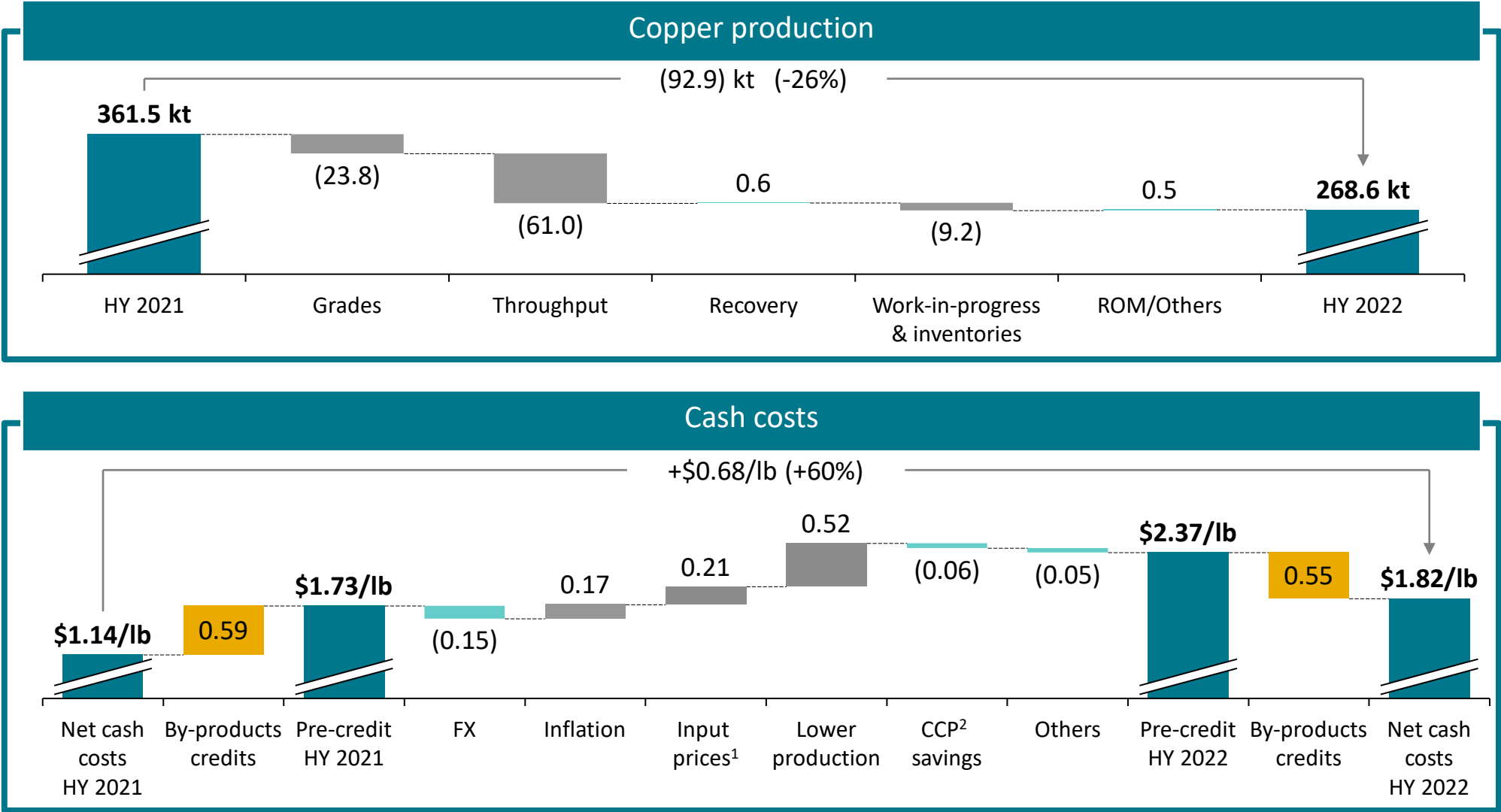


Transport

Tonnage transported
3,570 kt

¹ Group's 50% share

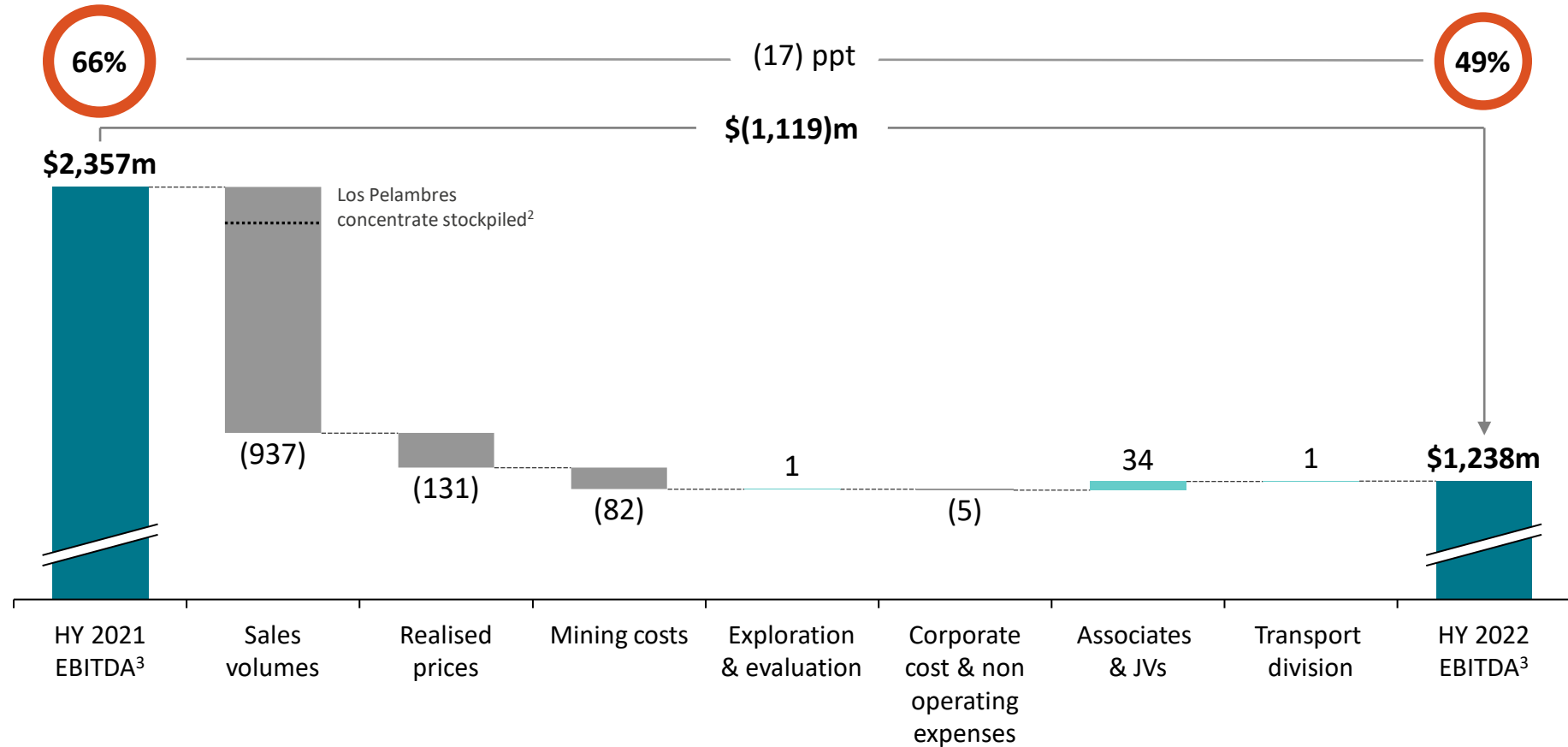
Production and cash costs



1 Inputs: fuel, sulphuric acid, explosives and mill balls
2 Cost and Competitiveness Programme

EBITDA and margin

\$ million and %¹



1 Margin calculated as EBITDA/Group revenue. If Associates and JVs' revenue is included the EBITDA margin was 44.6% in HY 2022 and 61.8% in HY 2021

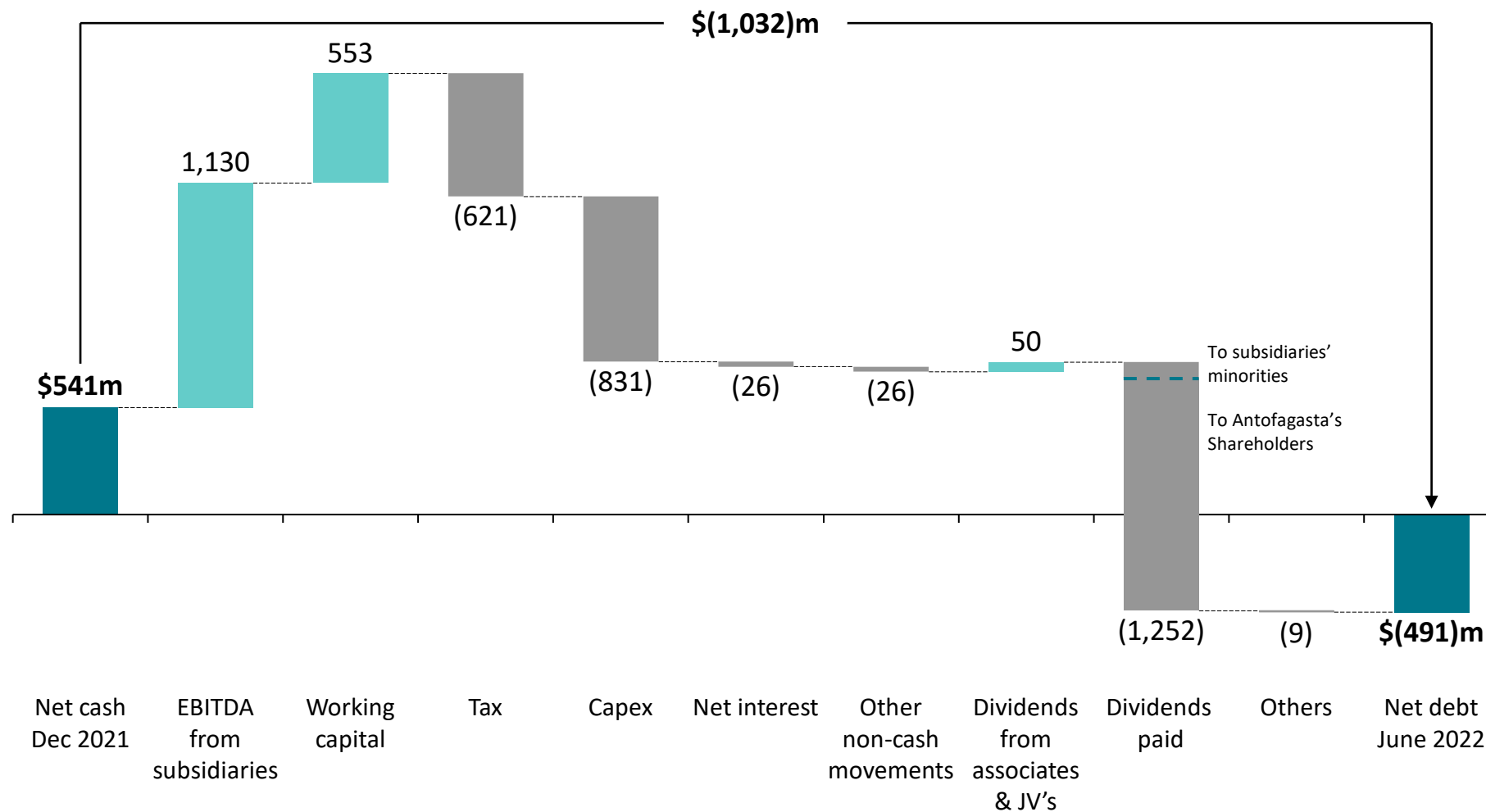
2 12,000 tonnes of copper in concentrates stockpiled at Los Pelambres' concentrator plant

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

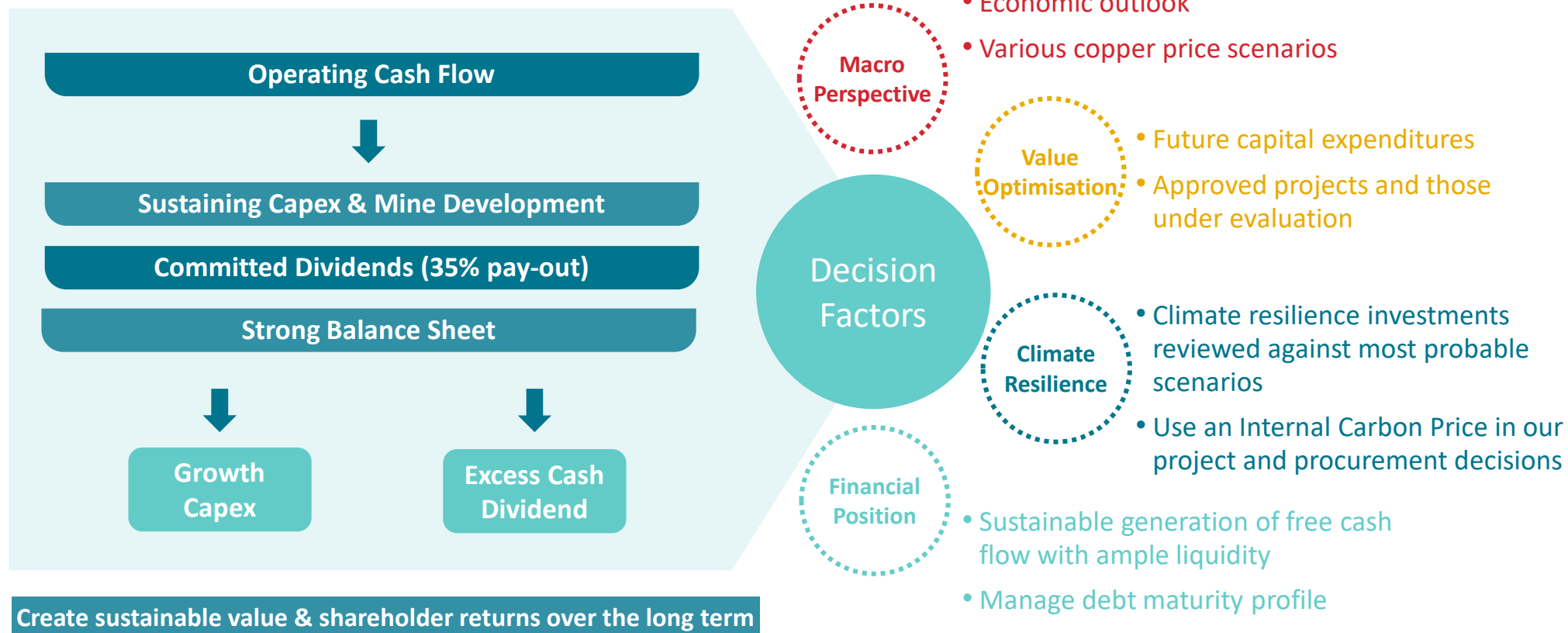
Resilient balance sheet

Net debt/EBITDA 0.13x

\$ million



Capital allocation framework



2022 interim dividend of \$90.7 million representing 35% of net earnings¹

¹ Consistent with dividend policy



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Sustainability performance

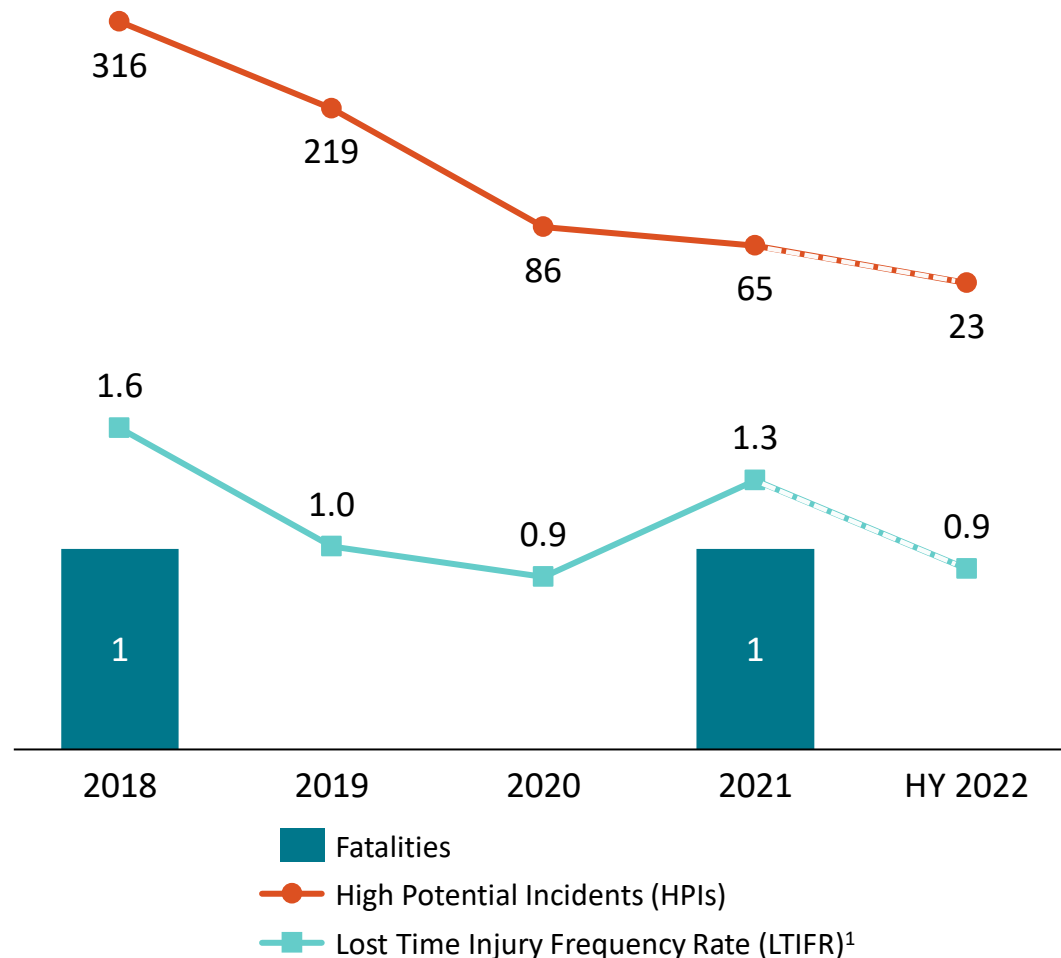
2022 HY Results

René Aguilar | Vice President of Corporate Affairs and Sustainability



Safety and health

The safety and health of our people is our top priority



¹ Per million hours worked

2022 safety and health performance

- High Potential Incidents decreased by 21% compared with same period 2021
- Lost Time Injury Frequency Rate (LTIFR) decreased by 23% compared with H1 last year

Current safety focus is to reinforce

- Safety is integral to everything we do
- Focus on high-risk tasks and critical controls with employee participation
- Identification of root causes in all incident investigations to avoid recurrence
- Field verifications by Executive team
- Promoting a culture where employees are empowered to stop activities when concerned about risk exposure

Communities

Creating shared value



Pipeline incident

- 31 May – outflow of 45m³ of concentrate affecting a limited area (0.2 hectares)
- No significant environmental impact
- Engagement with concerned communities led to agreements on participatory monitoring of the pipeline and social investments
- 26 June – pipeline operation resumed



Water

- Updated Water Policy published. Safeguards availability of water resources for our operations, communities and the environment
- 150 water efficiency projects
- Water programmes to help ensure access to potable water for more than 54,000 people in the Choapa Province
- Over 200km of irrigation canals supported

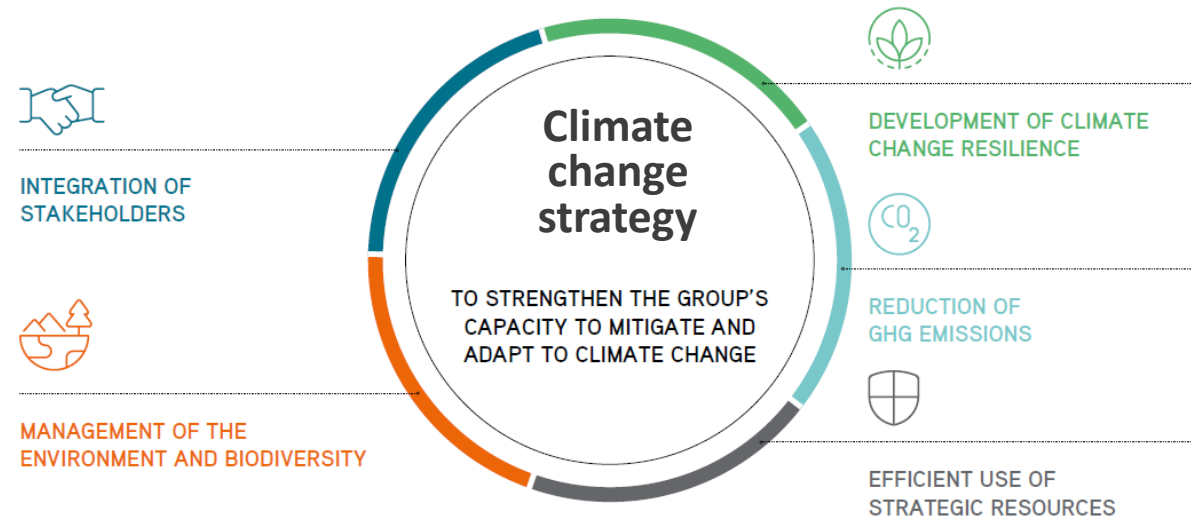


Engagement

- Local procurement programme with more than 150 small businesses
- Identifying and developing social and other projects with indigenous communities
- Supporting digital transformation including the installation of over 250km of fibre optic cable for remote communities
- Updated Human Rights Policy

Climate change

Committed to emissions reduction and efficient water use



GHG emissions management

- All mining operations using 100% renewable energy since April 2022
- 30% reduction target by 2025 compared to 2020
- Scope 3 emissions measurement on track to set reduction target in 2023
- Using internal carbon price in evaluation of bids from suppliers since January

Water

- Sea and recirculated water on track to be more than 90% of total operational use by 2025
- Completing Los Pelambres desalination plant in Q4 2022
- Completion of desalination plant expansion expected in 2025



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Growth opportunities

2022 HY Results

Iván Arriagada | Chief Executive Officer

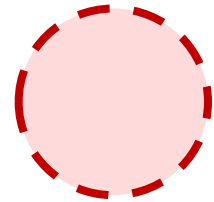


Reliable and responsible copper producer

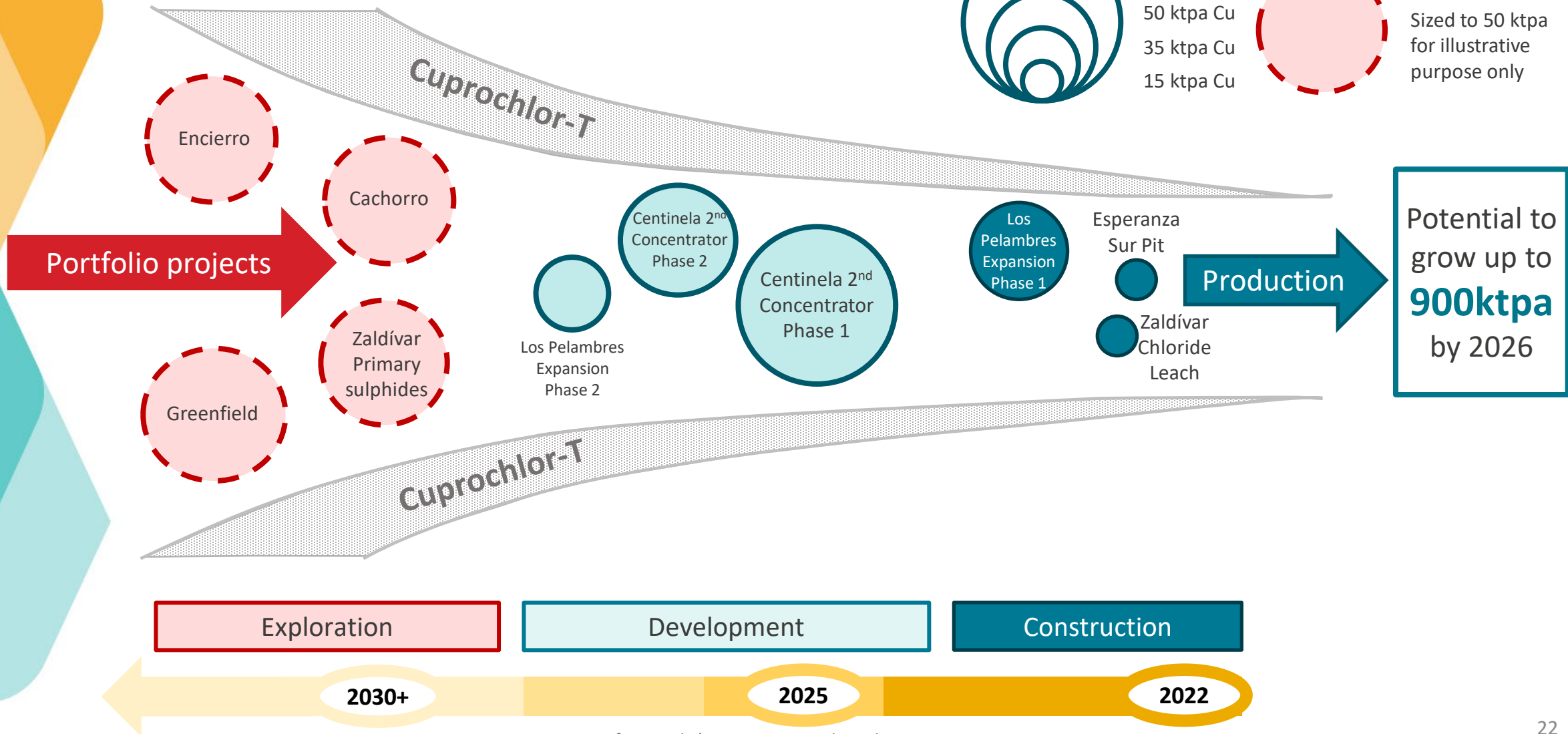
With embedded growth portfolio



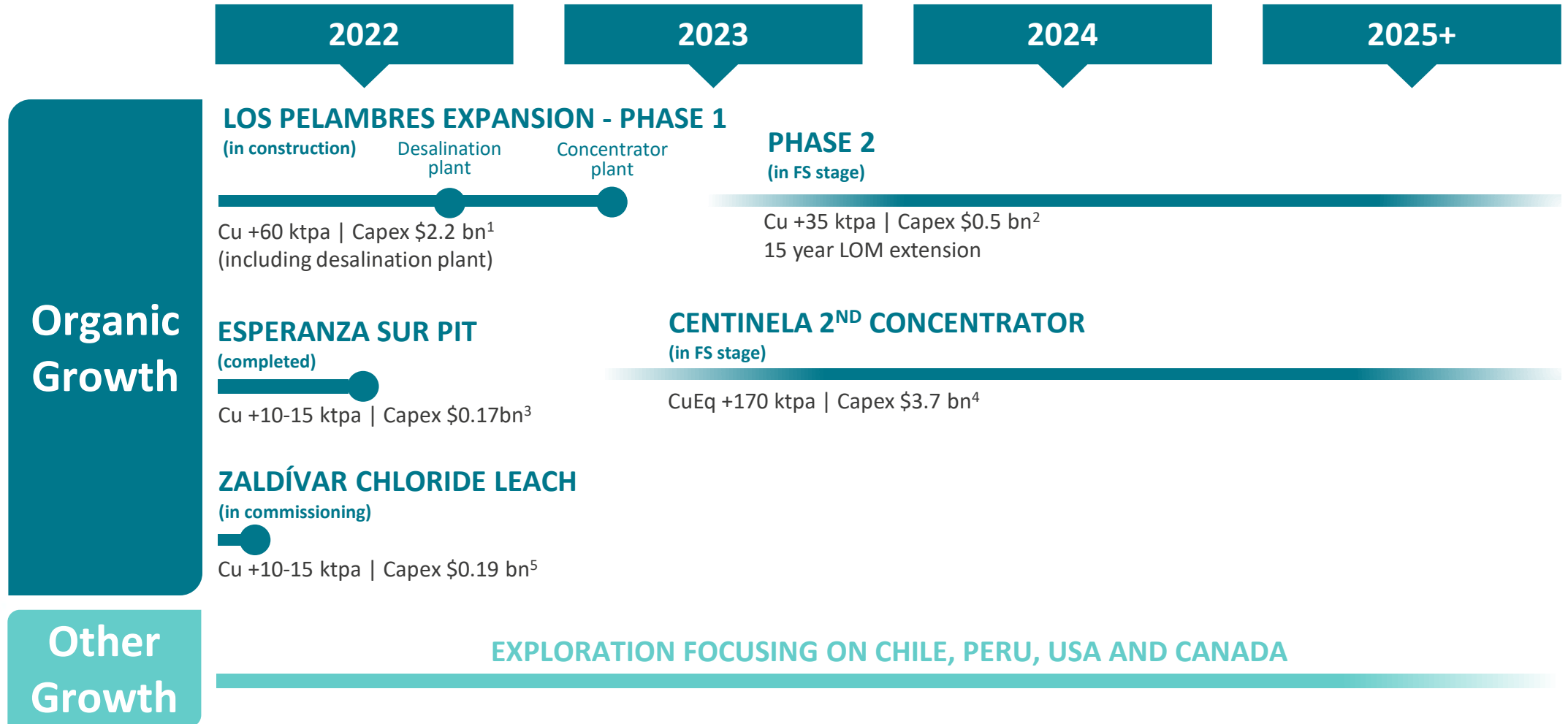
120 ktpa Cu
50 ktpa Cu
35 ktpa Cu
15 ktpa Cu



Sized to 50 ktpa
for illustrative
purpose only



Growth options



1 Revised April 2022
2 2014 Prefeasibility study
3 2018 Feasibility study

4 Revised July 2022
5 100% basis

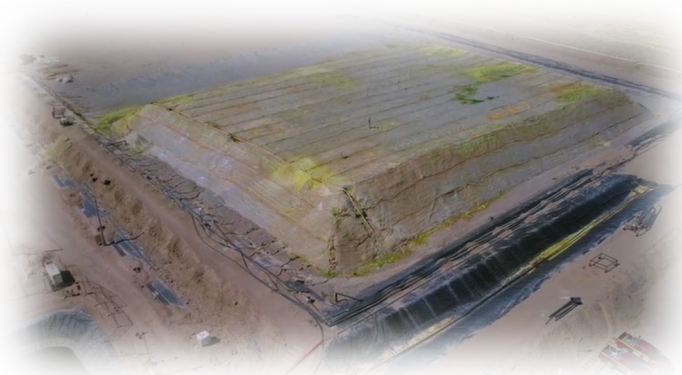
Innovation and technology



**Remote Operation Centre
Centinela**



**Autonomous Trucks
Centinela**



Cuprochlor-T



**Remote Operation Centre
Los Pelambres
(Q4 2022)**

Growth projects update



Los Pelambres Expansion Phase 1

- 82% complete
- Desalinated water system of 400 l/s, expected completion Q4 2022
- Expansion of concentrator to 190,000 tpd, expected to be completed in early 2023



Zaldívar Chloride Leach

- Completed and in ramp-up
- Expected to increase recoveries by 10 percentage points (or 10-15,000 tonne per year)

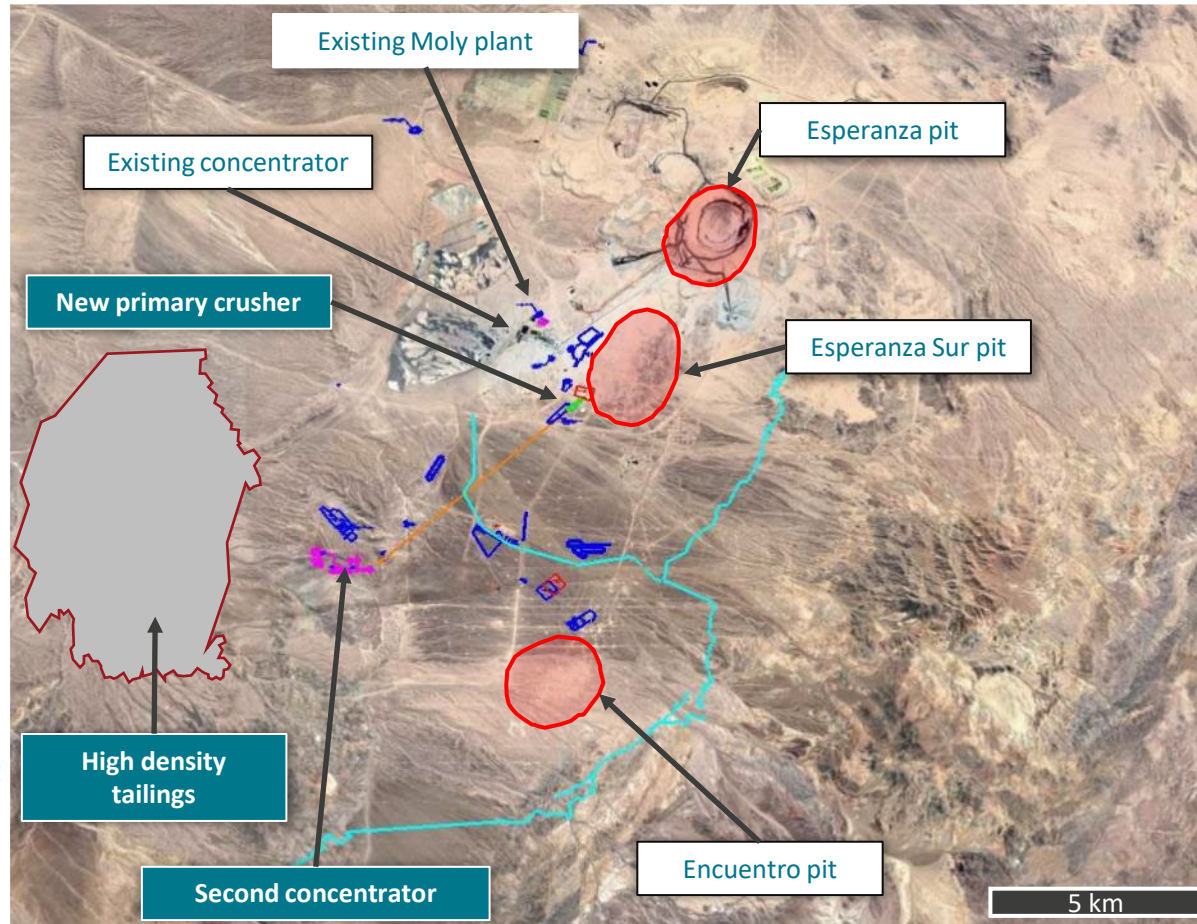


Centinela Esperanza Sur Pit

- Completed
- Improve flexibility to supply and increases production by 10-15,000 tonnes per year in the early years
- 100% autonomous trucks from August 2022

Centinela second concentrator

Centinela to be 1st quartile cash cost producer



Mining district consolidation

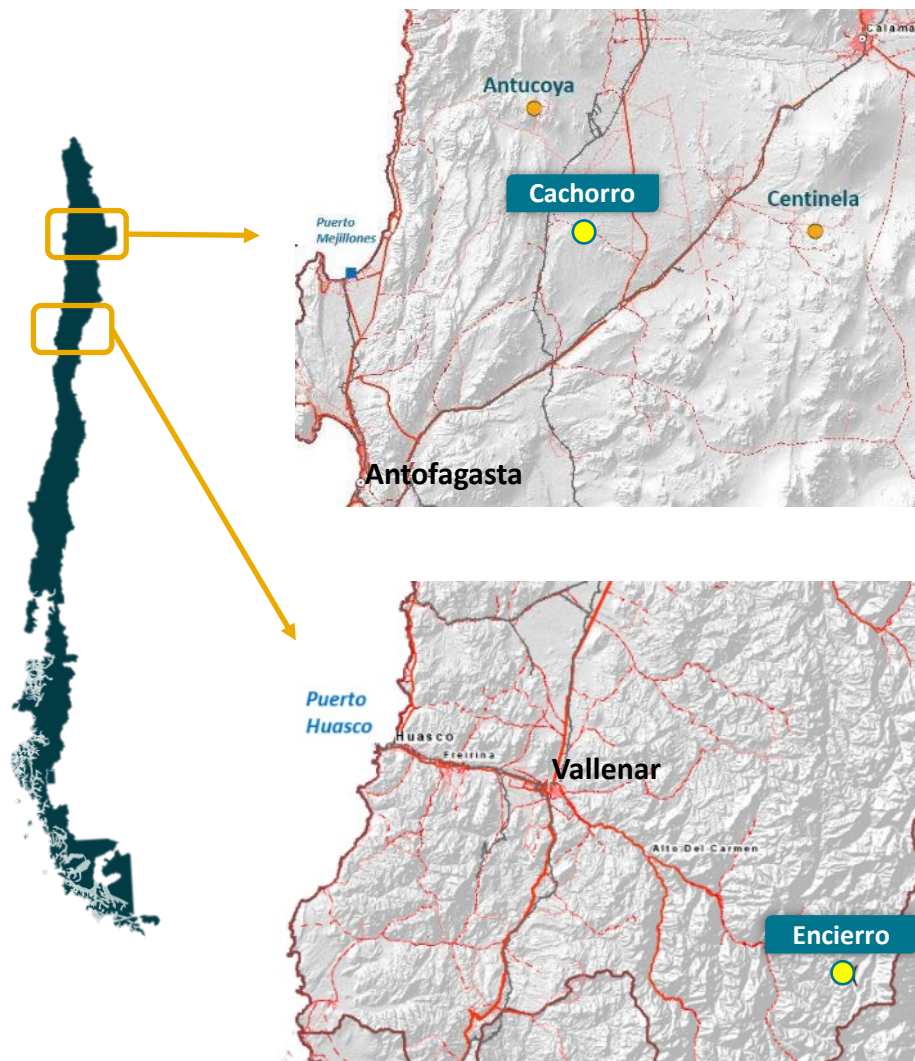
- 95 ktpd second concentrator
- Produces 170,000tpa CuEq during first 10 years
- Moves expanded Centinela to 1st quartile cash costs
- Sea water pumping system
- High density tailings storage facility
- Port expansion and other infrastructure

Capital expenditure

- Revised capital cost is estimated at \$3.7 billion
- Increase in capex reflects design changes, inflation, heightened environmental and other regulatory requirements, the results of advanced engineering and a more detailed execution plan

Recent exploration success

Cachorro and Encierro maiden resources announced



Cachorro

- Inferred resources 142 mt @1.21% Cu inferred resource
Represents only part of its potential
- Latest Group discovery generated by our greenfield exploration programme
- Potential to become one of the most important manto-type deposits in the coastal metallogenic belt of northern Chile
- Infill drilling will continue during 2022

Encierro

- 522 Mt @0.79% CuEq inferred resource
- Only 15% of the property is drill tested
- During 2022, 4 new targets with high geological potential will be tested

The Antofagasta investment case

Reliable and responsible producer with embedded growth



Developing mining for a better future

Our priorities for 2022 and beyond

- **Responsible and reliable copper producer**
 - Zero fatalities
 - Committed to keeping our people and communities safe and healthy while creating further social value
 - Embedding climate change and sustainability strategy across all decision making and update climate change targets
 - Maintaining operating resilience and flexibility
 - Cost management discipline
- **Unlocking embedded growth**
 - Continuous productivity improvements to optimise margins
 - Advancing our growth projects and innovation portfolio
- **Generating returns to shareholders**
 - By delivering value to all stakeholders





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Appendix



At a glance

Group

- 65% owned by Luksic Group, 35% free float
- Market cap: \$14.2 billion (August 8th 2022)
- FTSE 100

Mining division¹

- Top 10 copper producer
- High quality assets with significant potential production growth
- Copper production: 721,500 tonnes
- Gold production: 252,200 oz
- Molybdenum production: 10,500 tonnes
- Net cash costs: \$1.20/lb
- All operations in Chile

Transport division¹

- Provides rail and road cargo services in Chile's Antofagasta Region
- Total tonnage transported: 6.7 million tonnes

1 2021 figures
2 From 31 December 2021
3 As of 31 December 2021 on 100% basis

Antucoya

- 70% owned
- Copper production¹: 78,600 t
- Remaining mine life²: 22 years
- Reserves³: 746 million t @ 0.32% Cu

Centinela

- 70% owned
- Copper production¹: 274,200 t
- Remaining mine life²: 42 years
- Reserves³: 2.0 billion t @ 0.40% Cu

Zaldívar

- 50% owned, operator
- Copper production¹: 44,000 t (50%)
- Remaining mine life²: 14 years
- Reserves³: 451 million t @ 0.43% Cu

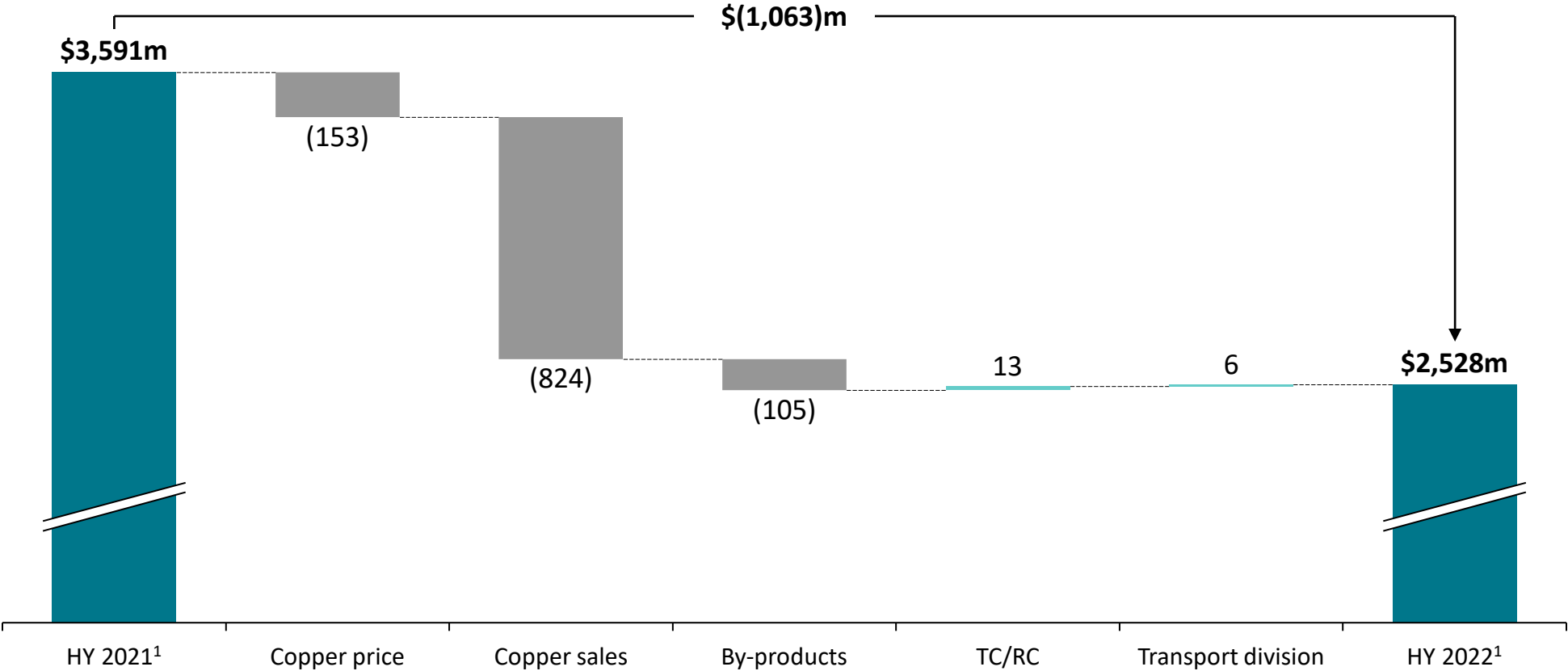
Los Pelambres

- 60% owned
- Copper production¹: 324,700 t
- Remaining mine life²: 13 years
- Reserves³: 1.0 billion t @ 0.59% Cu, 0.020% Mo and 0.05g/t Au



Revenue

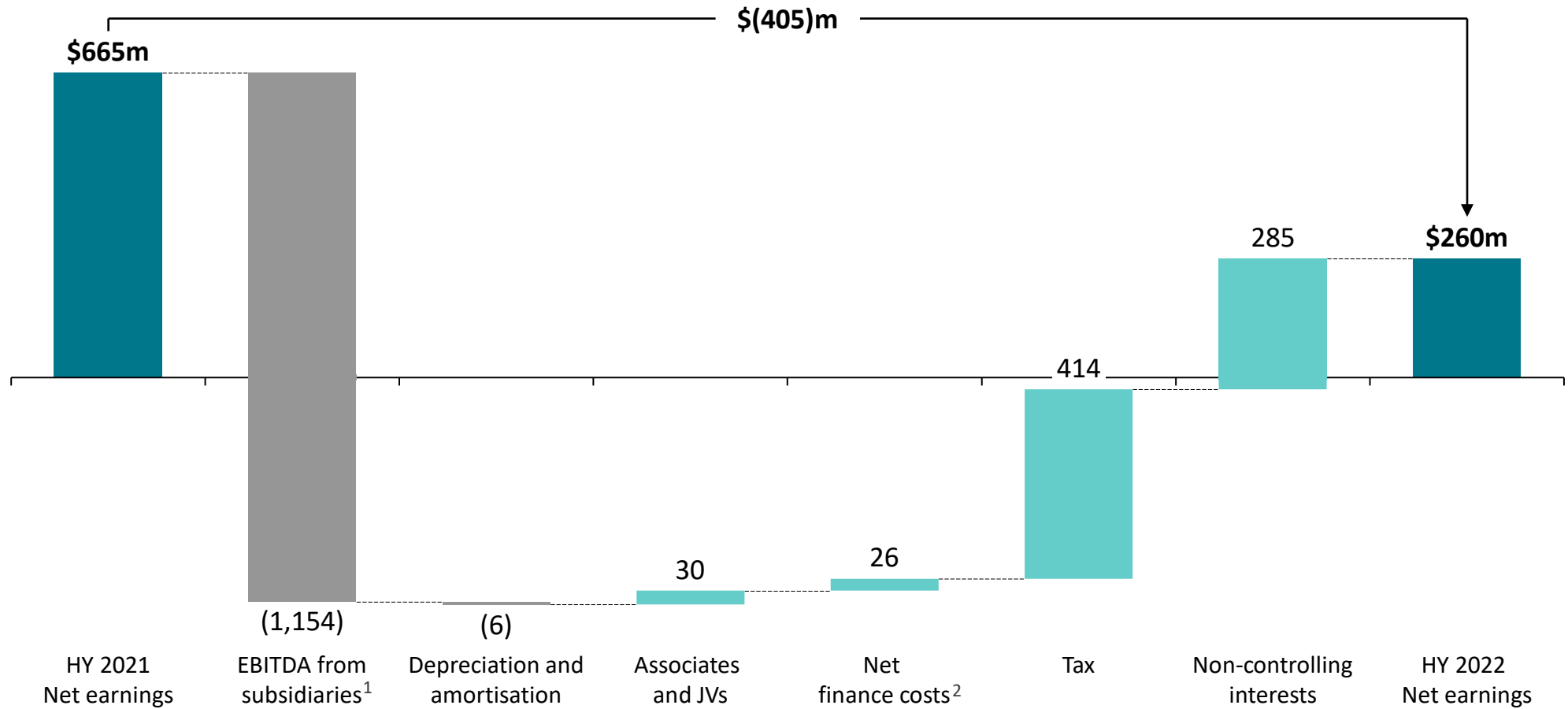
\$ million



1 Excludes Zaldivar and JVs

Net earnings

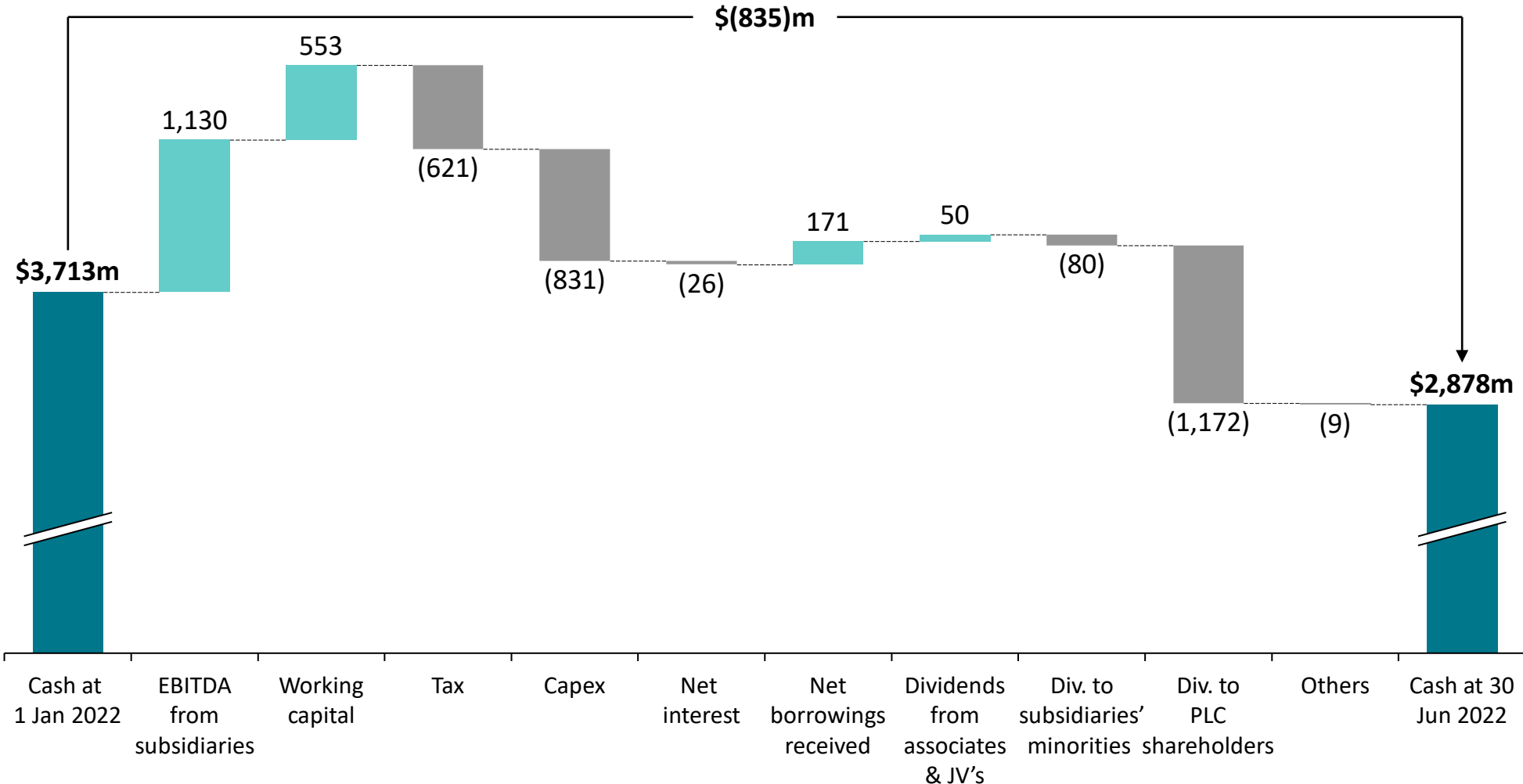
\$ million



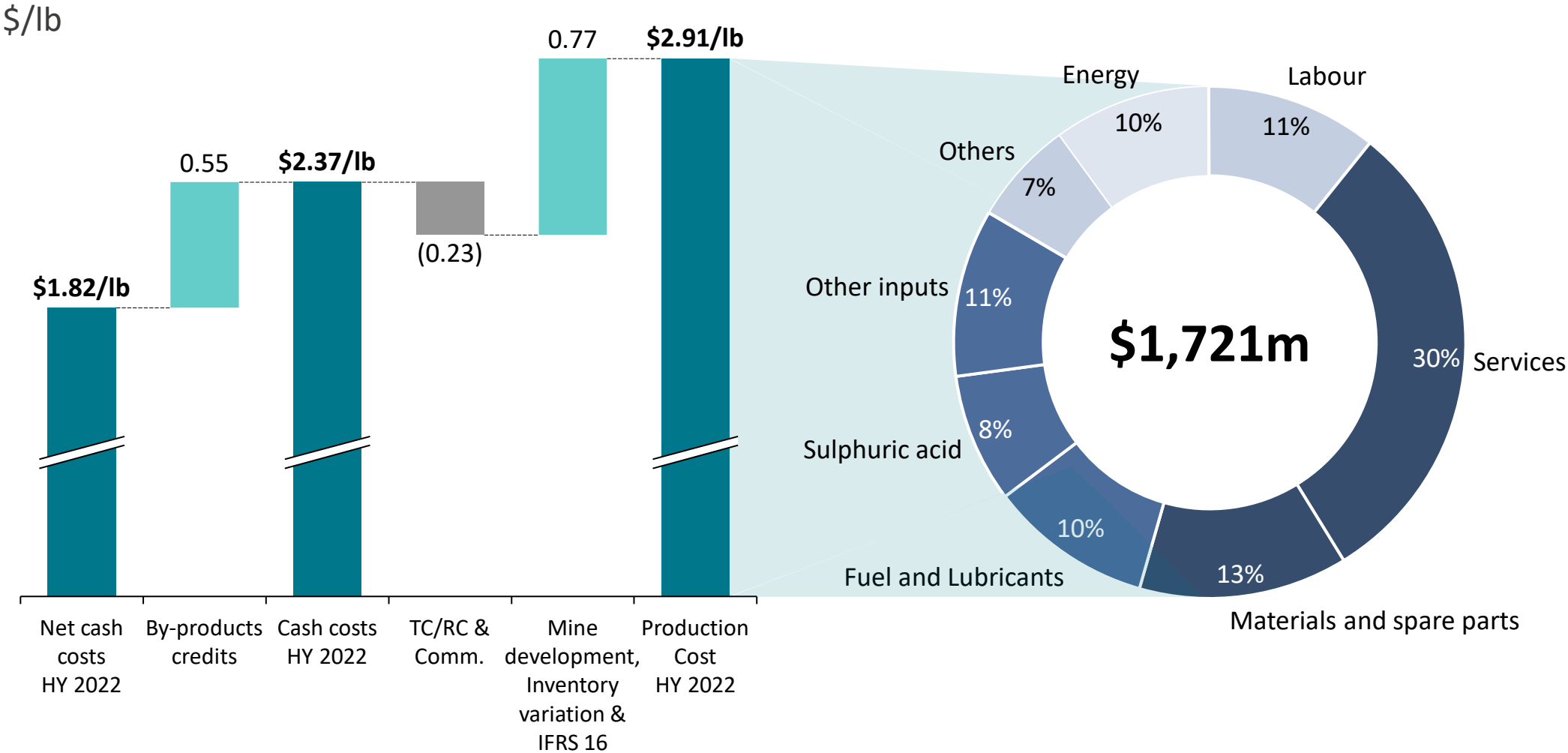
- 1 Excludes Associates and JVs' EBITDA
- 2 Includes foreign exchange adjustments

Cash flow

\$ million



2022 HY production cost breakdown



Production and metals prices

Group production

	2018	2019	2020	2021	HY 2022	2022E ¹
Copper ('000 tonnes)						
Los Pelambres	357.8	363.4	359.6	324.7	98.4	290-300
Centinela Concentrates	155.5	195.5	153.5	185.4	66.2	245-255
Centinela Cathodes	92.5	81.1	93.3	88.8	45.1	
Antucoya	72.2	71.9	79.3	78.6	36.4	75-80
Zaldívar ³	47.3	58.1	48.2	44.0	22.5	50-55
Group total	725.3	770.0	733.9	721.5	268.6	640-660²

	2018	2019	2020	2021	HY 2022	2022E ¹
Gold ('000 ounces)						
Los Pelambres	63.2	59.7	60.3	53.2	15.4	40-50
Centinela	146.9	222.6	143.7	199.0	58.4	130-140
Group total	210.1	282.3	204.1	252.2	73.8	170-190

	2018	2019	2020	2021	HY 2022	2022E ¹
Molybdenum ('000 tonnes)						
Los Pelambres	13.3	11.2	10.9	9.2	2.7	6.5-7.5
Centinela	0.3	0.4	1.7	1.3	1.3	2.0-2.5
Group total	13.6	11.6	12.6	10.5	4.0	8.5-10.0

¹ Guidance January 2022, except Group copper production, which was revised in July 2022

² Revised July 2022

³ Attributable share

Metal prices

	2018	2019	2020	2021	HY 2022
Copper (\$/lb)					
Realised	2.81	2.75	2.98	4.37	4.13
LME	2.96	2.72	2.80	4.23	4.43

	2018	2019	2020	2021	HY 2022
Gold (\$/oz)					
Realised	1,256	1,416	1,797	1,788	1,899
Market	1,270	1,393	1,770	1,799	1,873

	2018	2019	2020	2021	HY 2022
Molybdenum (\$/lb)					
Realised	12.4	10.8	8.8	17.4	18.0
Market	11.9	11.4	8.7	15.9	18.7

Unit cash costs

Group cash costs

	2018	2019	2020	2021	HY 2022	2022E ²
Group cash costs (\$/lb)						
Los Pelambres	1.52	1.40	1.27	1.59	2.02	1.75
Centinela	1.89	1.83	1.85	1.87	2.68	2.30
Antucoya	1.99	2.17	1.82	2.04	2.50	2.30
Zaldívar ¹	1.94	1.75	1.80	2.39	2.14	2.20
Cash costs before by-products credits (\$/lb)	1.72	1.65	1.56	1.79	2.37	2.00
By-products credits (\$/lb)	(0.43)	(0.43)	(0.42)	(0.59)	(0.55)	(0.45)
Net cash costs (\$/lb)	1.29	1.22	1.14	1.20	1.82	1.65²

	2018	2019	2020	2021	HY 2022	2022E ²
Los Pelambres cash costs (\$/lb)						
Cash costs before by-products credits (\$/lb)	1.52	1.40	1.27	1.59	2.02	1.75
By-products credits (\$/lb)	(0.61)	(0.49)	(0.46)	(0.70)	(0.70)	(0.50)
Net cash costs (\$/lb)	0.91	0.91	0.81	0.89	1.32	1.25

	2018	2019	2020	2021	HY 2022	2022E ²
Centinela cash costs (\$/lb)						
Cash costs before by-products credits (\$/lb)	1.89	1.83	1.85	1.87	2.68	2.30
By-products credits (\$/lb)	(0.38)	(0.57)	(0.58)	(0.74)	(0.70)	(0.70)
Net cash costs (\$/lb)	1.51	1.26	1.27	1.13	1.98	1.60

¹ Attributable share

² Guidance January 2022 (Assumptions: CLP/USD 810, gold \$1,800/oz, molybdenum \$15.0/lb), except Group net cash costs which were revised in July 2022 (Assumptions for H2: CLP/USD 900, gold \$1,875/oz, molybdenum \$17.5/lb)

Reserves and resources as of 31 December 2021

	Tonnage (millions tonnes)		Copper (%)		Molybdenum (%)		Gold (g/t)		Attributable Tonnage (millions tonnes)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Ore reserves										
Los Pelambres	956.1	1,010.5	0.59	0.59	0.020	0.020	0.05	0.05	573.7	606.3
<i>Centinela Concentrates (Sulphides)</i>	<i>1,684.3</i>	<i>1,738.1</i>	<i>0.41</i>	<i>0.41</i>	<i>0.012</i>	<i>0.012</i>	<i>0.14</i>	<i>0.14</i>	<i>1,179.0</i>	<i>1,216.7</i>
<i>Centinela Cathodes (Oxides)</i>	<i>299.3</i>	<i>323.9</i>	<i>0.39</i>	<i>0.40</i>	-	-	-	-	<i>209.5</i>	<i>226.7</i>
Centinela Total	1,983.6	2,062.0	0.40	0.41	-	-	-	-	1,388.5	1,443.4
Antucoya	745.5	710.7	0.32	0.32	-	-	-	-	521.9	497.5
Total	3,6385.3	3,783.2	0.43	0.44	-	-	-	-	2,484.1	2,547.2
Group Joint Ventures										
Zaldívar	450.8	467.5	0.43	0.45					225.4	233.7
Total Group Ore Reserves	4,136.2	4,250.7	0.43	0.44	-	-	-	-	2,709.5	2,780.9
Mineral resources (including ore reserves)										
Los Pelambres	5,957.4	6,046.1	0.50	0.50	0.017	0.017	0.06	0.05	3,574.5	3,627.6
Centinela Concentrates (Sulphides)	4,092.1	4,126.0	0.38	0.38	0.013	0.012	0.12	0.13	2,864.5	2,888.2
Centinela Cathodes (Oxides)	441.9	474.2	0.37	0.37	-	-			309.3	331.9
Antucoya	1,191.6	1,235.8	0.30	0.30	-	-			834.1	865.0
Polo Sur	1,657.0	1,657.0	0.33	0.33	-	-			1,657.0	1,657.0
Penacho Blanco	340.2	340.2	0.37	0.37	-	-			173.5	173.5
Mirador	93.5	92.3	0.30	0.30	-	-			86.0	85.2
Los Volcanes	1,904.2	1,904.2	0.50	0.50	-	-			971.1	971.1
Brujulina	87.2	87.2	0.49	0.49	-	-			44.5	44.5
Sierra	52.0	52.0	0.69	0.69	-	-			52.0	52.0
Cachorro	141.6	-	1.21	-	-	-			141.6	-
					Nickel (%)		Total precious metals (g/t Au+Pt+Pd)			
Twin Metals	2,509.1	2,509.1	0.52	0.52	0.17	0.17	0.47	0.47	2,085.0	2,085.0
Group Joint Ventures										
Zaldívar	1,309.9	1,268.8	0.38	0.39	-	-	-	-	654.9	634.4
Total Group										
Measured + Indicated	11,038.1	11,070.6	0.45	0.45	-	-	-	-	7,701.5	7,728.7
Inferred	8,739.7	8,722.3	0.43	0.42	-	-	-	-	5,746.6	5,686.9
Total Group Mineral Resources (including ore reserves)	19,777.8	19,792.8	0.44	0.44	-	-	-	-	13,448.1	13,415.6

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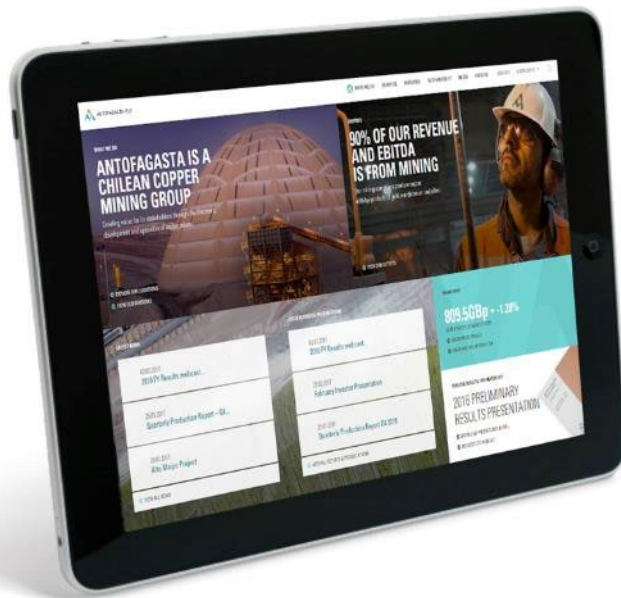
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