

## 2022 FULL-YEAR RESULTS

### TRANSCRIPT

 ANTOFAGASTA PLC  
**Developing mining  
for a better future**  
**2022** | Full Year  
Results  
21 February 2023  


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**Iván Arriagada**

*Chief Executive of Antofagasta.*

Great, thank you and welcome to our 2022 full year results.

Welcome to those also attending via the webcast and conference call.

I am Iván Arriagada, Chief Executive of Antofagasta, and with me here today we have our CFO, Mauricio Ortiz and René Aguilar, our Vice President of Corporate Affairs and Sustainability.

So, we're going to do a brief presentation on the release of our results today and then we'll move to questions and answers.

## Agenda

- 1 | Overview
- 2 | Financial review
- 3 | Sustainability performance
- 4 | Guidance and growth

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ANTOFAGASTA PLC

## Overview

2022 Full Year Results

Iván Arriagada | Chief Executive Officer

## Our purpose

*Developing mining for a better future*

Our vision of a **better future** is for the benefit of:



### Planet

Ensuring mining's critical role in the energy transition, economic progress and improved livelihoods is sustainable and responsible



### People

Developing our people to grow personally and professionally, and who are proud of their achievements and working with us



### Organisation

Fostering a culture that is inclusive, collaborative and agile based on strong ethics and trust that embraces change and learning



### Society

Working together with local communities to create economic and social value from mining

We will achieve this through our five **strategic pillars**



**Safety and sustainability**  
to enhance our current operations, while keeping an eye on the future



**People and culture**  
to cultivate the talent necessary for a better future



**Competitiveness**  
is key to us achieving excellence and creating long-term value



**Innovation**  
to constantly push back boundaries and explore new ways of moving forwards



**Growth**  
to keep contributing to the development of a better future

**... to deliver value for all our stakeholders**

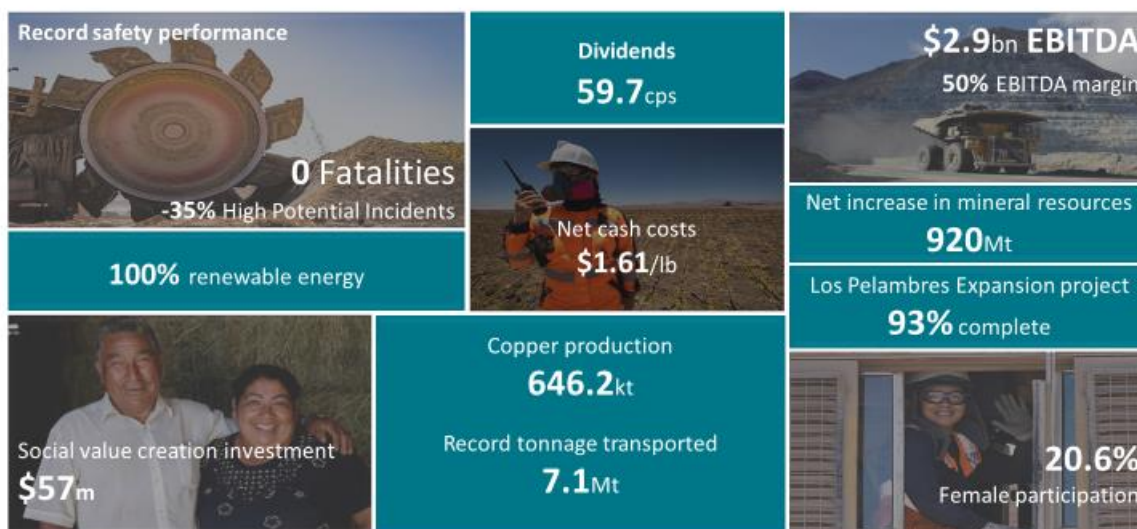
Okay. So let me start by pointing out to our purpose, which is delivering mining for a better future. I think this encapsulates what motivates all of us at Antofagasta and which goes beyond the day-to-day tasks that everyone is expected to do in their specific roles. As part of our purpose, our vision of a better future comprises four interconnected areas.

So, the better future we envisage is for the planet, society, our organisational culture, and our people, as shown in this slide.

We deliver this through our five strategic pillars, and those have not changed. Safety and sustainability, people, competitiveness, growth, and very importantly, innovation, which we see as a key enabler for our business to respond to both today's challenges and the challenges of the future. And with this strategy, we will deliver value and for all our stakeholders, both economic and social. So let me now take you through the highlights of our results.



## 2022 Highlights



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6

Our people are key to what we do, and our top priority is and remains safety, and 2022 was a record year with all our safety indicators improving during the period. So, this is very important and we're very pleased to report that we had a very successful year with respect to safety.

We also successfully achieved our production and cost guidance for the year with copper production of 646,200 tonnes at a net cash cost of a \$1.61 per pound.

Despite the temporary reduction in throughput at Los Pelambres due to water restrictions and availability and expected lower rates at Centinela concentrates. Our EBITDA was \$2.9 billion, and our EBITDA margin remains solid at 50%.

Our total dividend for the year is 59.7 cents per share, which is equivalent to a hundred percent pay-out ratio on our underlying earnings.

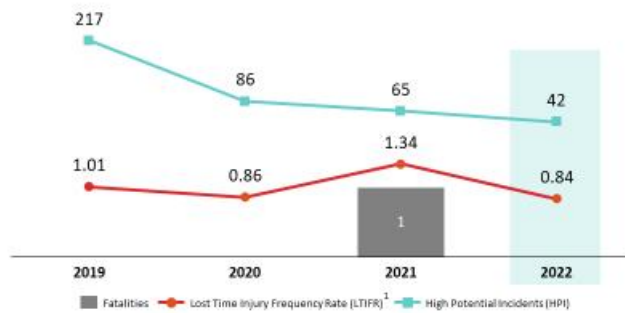
As a group, we recognise climate change as one of the greatest challenges facing the world. Centinela stopped extracting any continental water at the end of December and since April last year, all our mining operations have been using a hundred percent of renewable energy, reducing our emissions by nearly 1 million tonnes of CO2 equivalent since 2020.

In 2022, all our operations have achieved the Copper Mark accreditation, which is an important independent validation process with respect to our sustainability practices. We continue to work with the communities this year making a social investment of \$57 million.

We also achieved our gender diversity target for the year, and now over one in five of our employees are women. Looking to the future, we are creating value through our exploration activities, organic growth projects and innovation, and following two exploration discoveries in Chile we have increased our mineral resources by over 900 million tonnes this year, and I think that's an important achievement that we're also reporting. All of this is underpinned by our purpose of developing mining for a better future.

## Safety and health

### Record year for safety



- Mining division LTIFR<sup>1</sup> improved 32% to 0.76
- Our job safety analysis and critical control management are integrated into our operational model

<sup>1</sup> LTIFR: the number of lost time injuries per 1 million hours worked

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**Zero fatalities**

since July 2021

High Potential Incidents  
decreased by 35%

So let me be a bit more specific around safety.

We prioritise safety, health, and wellbeing of our workforce and communities. We had no fatal accidents last year and all our safety indicators improved during the year and 2022, as I mentioned, was a record year for our overall safety performance. We continue to reduce our high potential incidents, recording a 35% reduction and the lowest result in recent years.

High potential incidents are leading indicators of the effectiveness of safety controls and are key measures of our success in strengthening them.

We aim to keep our lost time injury frequency rate below a score of one and in 2022, the overall group score was 0.84, a 37% improvement, and this was due to strengthened control strategies, particularly for high-risk tasks.

On safety, our current focus is to reinforce the key principles of our strategy, focusing on empowering our people to understand and manage the risk of the critical task they carry out, ensuring competent and effective supervision, and having determined leadership to strengthen our commitment to zero fatalities and occupational diseases.

# Copper market

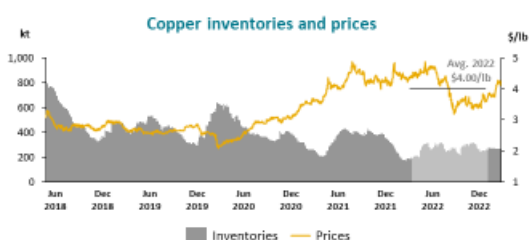
*Carbon neutral world requires more metals*

## Short term outlook

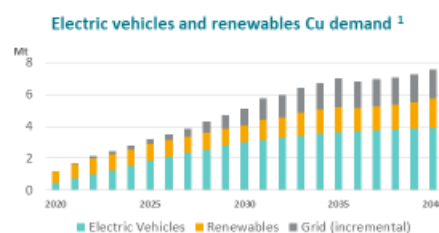
- Global economic and geopolitical uncertainty
- China reopening
- Low copper inventories
- Inflationary pressures

## Longer term outlook

- Decarbonisation and clean energy targets are supportive for copper demand increases
- Urbanisation and electrification trends continue
- Supply challenge - continued falling grades and increasing ore hardness
- Few new projects or major discoveries



1 Source: CRU



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8

Now let me say a few words about the copper market.

Copper is not only a commodity essential for our daily lives but is also plays an integral role in the future given its use in the energy transition and increasing electrification of the world, especially in emerging economies.

The copper price fluctuations during the year reflected the broader volatility in the global economy. Higher inflation, the Ukraine war as well as a strong dollar negatively affected most commodity prices early in the year, but signs of economic recovery fuelled by China dropping its Zero Covid policy led to an upturn in the price. However, economic, and geopolitical uncertainty will remain a feature of global markets going forward, as we know.

On the supply side, the expectation of a surplus over the next year or two have diminished as lower production has been reported widely and with concerns about how the situation will evolve in some jurisdictions which have experienced political or economic deterioration.

In the longer term the fundamentals for demand, growth of urbanisation, decarbonisation, and clean energy targets continue to be supportive for copper demand and our confidence in copper in the long term. The longer-term challenges to supply growth also remain, lower quality deposits, increasing technical complexity and higher environmental and social expectations, all of which are limiting the expected rate of supply growth.

At Antofagasta, we have a growing mineral resource base which we've increased this year by one billion tonnes; and the ability to unlock them, and we are well positioned to continue to grow, especially with our organic resource base.

## Current political and fiscal situation in Chile



### Proposed new mining royalty

- Includes ad valorem and increased operating profit royalties
- In January 2023 Bill approved by the Senate Mining and Energy Committee and passed to the Senate Treasury Committee for discussion
- Will then be debated in the Senate before being passed to the lower house for its consideration

### New Constitution

- Proposed new Constitution rejected in a national referendum in September 2022
- Congress adopted a new plan for drafting the Constitution with a new elected Council and Committee of Experts
- New Constitution will be put to a national referendum in December 2023



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9

Let me refer briefly to Chile.

In Chile, the government presented a revised draft mining royalty bill to Congress in October, which changes the structure and increases the rates compared with the current royalty applicable in Chile. This draft was approved by the Senate Mining and Energy Committee in January and has now passed to the Senate Treasury Committee for discussion and possible revision, so it's now sitting in Congress. The bill will then be debated in the Senate before being passed to the lower house for its consideration and if approved, it then would become law.

As regards to the new Constitution, it was rejected in a national referendum in September last year, and since then, a framework has been developed which provides for certain consensual principles or boundaries within which a new text is to be developed. A new Constitutional Council will be elected in May, which will work with a Committee of Experts to draft the Constitution, and this will be put to a vote in a national referendum in December this year.





Having said this, I would like now to pass over to Mauricio who will give you some more detail on our financial performance for 2022. Mauricio.



Mauricio Ortiz  
Chief Financial Officer

Thank you everyone. Thank you Iván, and good morning to everyone.

## 2022 financial highlights

*Robust results in a complex environment*

Underlying earnings	Balance sheet	ROCE	Dividends per share
59.7 c/share <sup>1</sup> ↓ 58%	Net debt/EBITDA <sup>2</sup> 0.3x	14.1% ↓ 19 ppt	59.7cps ↓ 58% 100% pay-out ratio <sup>3</sup>
Revenue	Net cash costs	EBITDA	EBITDA margin <sup>4</sup>
\$5.9bn ↓ 22%	\$1.61/lb ↑ 34%	\$2.9bn ↓ 39%	50% ↓ 15 ppt

- 1 EPS including exceptional items is 155.5 c/share, a 19% increase on 2021  
 2 Moved from net cash of \$541 million in December 2021 to net debt of \$886 million in December 2022  
 3 On underlying net earnings  
 4 Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 46.7% in 2022 and 61.1% in 2021

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11

Well, in a volatile global environment with higher inflation, logistical constraints and climate change events, such as the drought at Los Pelambres, our financials remain robust, driven by the operational and cost discipline across all our assets. However, these factors were reflected in our full year financials performance when compared with the exceptional 2021.

Net cash cost in 2022 were in line with our guidance, but higher last year due to the impact of the lower copper volumes and higher energy and other input prices along with general inflation.

Despite lower production and higher cost, our EBITDA margin remained strong at 50%, 15 points lower than in 2021, but mainly reflecting the lower realised copper price, which was down 14%.

In this changing world, our robust balance sheet, which has a net debt/EBITDA ratio of only 0.3 times is an important attribute of our company.

It's enabled us to make capital decisions from a position of a strength and stability. The 14.1% return on capital employed was mainly explained by our lower earnings on the back of the lower revenue, but also for the \$480 million we have invested during the year in our expansion at Los Pelambres that has not yet come into operation.

Our underlying earnings were 59.7 cents per share, but this year we have an exceptional gain of \$945 million following the completion of the Reko Diq transaction. This increased our earnings, including exceptional items to 155.5 cents per share, 19% higher than in 2021.

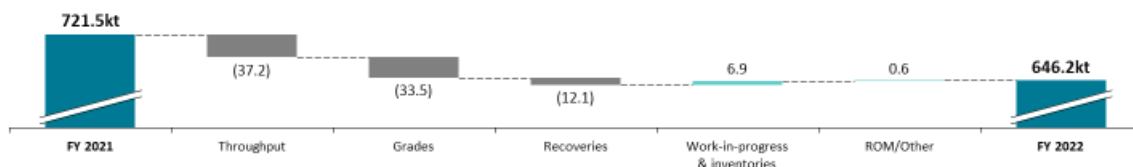
And finally, having assessed all the decision factors in our capital allocation framework, our total dividend for the year is 59.7 cents per share, which is equivalent to a payout ratio of 100% calculated against our underlying net earnings.

Now, let me take you through a summary of our production and costs.

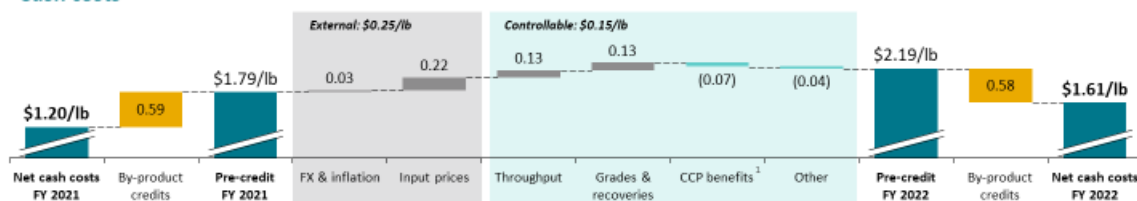
## Production and cash costs

*Impacted by drought and grades*

### Copper production



### Cash costs



<sup>1</sup> Cost and Competitiveness Programme

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12

As guided, corporate production was just above 646,000 tonnes, 10% lower than in 2021, mainly due to the temporary reduction in throughput at Los Pelambres because of the drought, and the expected lower grade at Centinela concentrates.

To address the declining grades, we're actively focused at enhancing the operational reliability and the utilisation rates of our plant and equipment. We have made further progress in these areas with Centinela Concentrates and Antucoya achieving record throughput rates for the year, exceeding their design capacity.

This remarkable achievement is a testament to their skills and the disciplines of our people at the mine site, as well as the effective integration of our new remote operations centre.

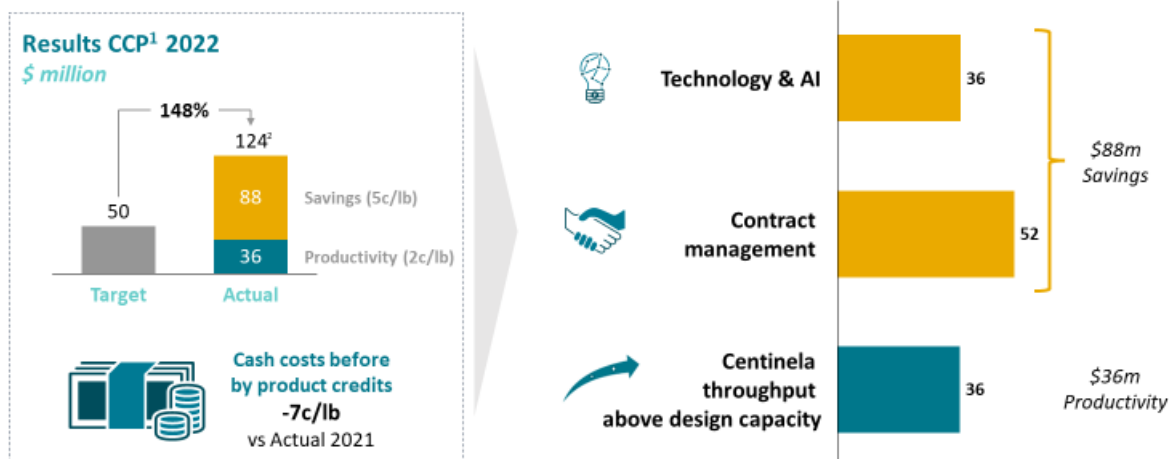
The complex global environment in 2022 with constrained logistic chains and the continuing inflationary pressures had a significant impact on important inputs such as diesel, sulphuric acid, and explosives. While this was mitigated by the weaker Chilean peso, all these factors accounted for 25 cents per pound of our increase in cash costs before by-products.

Lower production also adversely affects costs. However, this was partially mitigated by the benefit from our Cost and Competitiveness Programme, which helped to reduce costs by \$0.07 per pound. Overall, our net cash costs for the year were \$1.61 per pound.



## Cost and Competitiveness Programme

### Technology and cost discipline



<sup>1</sup> Cost and Competitiveness Programme  
<sup>2</sup> Includes 100% of Zaldívar

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13

Despite the challenging global conditions, the creativity of our people, coupled with the benefit from our investment in advanced technologies, delivered outstanding results in 2022.

Through the use of advanced analytics and machine learning, we have been able to improve the efficiency of our consumption rates. For instance, by optimising the consumption of sulphuric acid and the grinding materials, we have been able to improve their cost per unit of production.

Procurement and contract management discipline remain as the main contributor to our Cost and Competitiveness Programme where detailed planning, coordinating purchases for our operations and careful administration of the contracts has delivered \$52 million of structural savings.

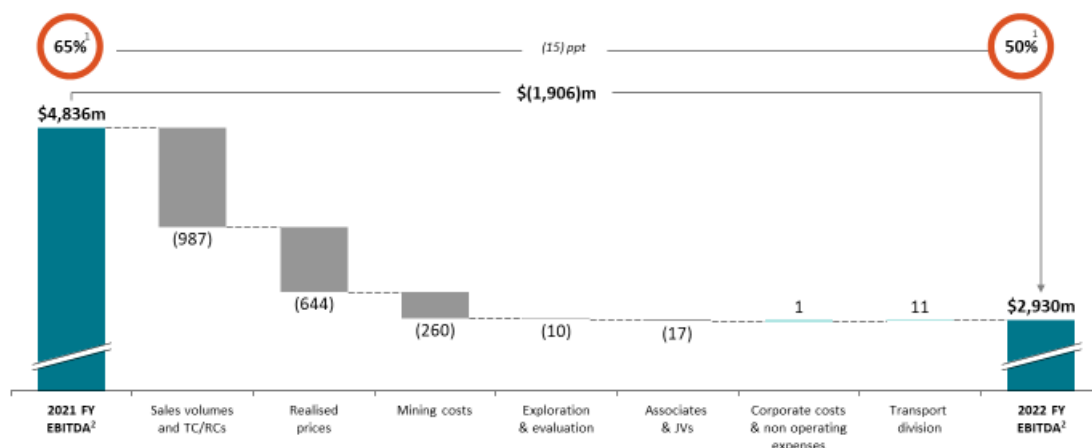
The initiative we are very proud of is the Centinela concentrator operating at above design capacity in 2022. Daily throughput reached 109,000 tonnes, which is 4% higher than design.

In 2023, we expect to capture the benefit of this along with higher concentrate grades driven by better flotation performance. In summary, in 2022, we had a very good year for our Cost and Competitiveness Programme. We achieved more than double its target yielding benefits of \$124 million.

For 2023, we have set ourselves a target of at least \$60 million of CCP benefits.

## EBITDA and margin

### Resilient margins



<sup>1</sup> Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 46.7% in 2022 and 61.1% in 2021.

<sup>2</sup> Results of continuing operations only. Includes EBITDA from Associates and JVs.

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14

Our EBITDA was \$2.9 billion, and our EBITDA margin, as Iván said, was a robust 50%.

The bulk of this \$1.9 billion decrease in EBITDA compared with 2021 was from lower sales volumes and the lower copper price. These two factors accounted for more than \$1.6 billion of the decrease and higher mining costs also contributed to the fall.

Exploration and evaluation increased by \$10 million to \$130 million, mainly explained by our exploration work at Cachorro, where we increased resources, and our new Encierro deposit.

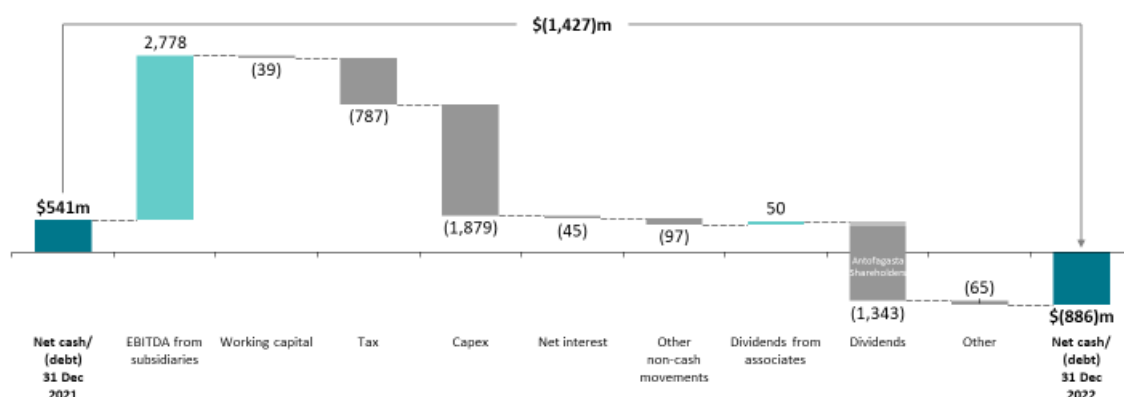
Our associates and joint ventures have decreased their contribution to EBITDA by \$17 million and the transport division increased its contribution by \$11 million, mainly due to the better sales as contracts signed in previous periods ramped up. This led to a record year for Tonnage transported in 2022.

Overall, our EBITDA margin remained strong even in a challenging year, marked by inflation and lower production.

## Strong balance sheet

Net debt/EBITDA 0.3x

\$ million



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15

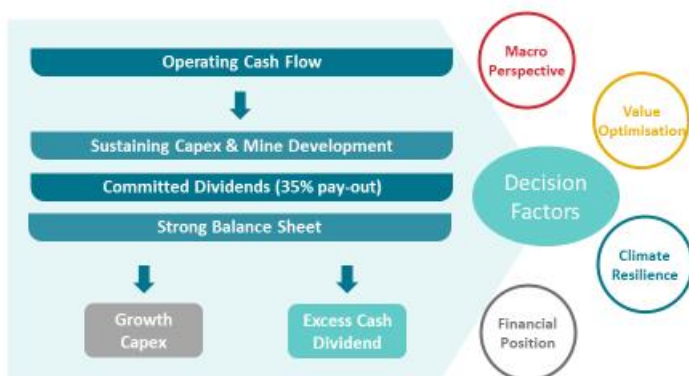
Consistent with our financial discipline, we have maintained our strong balance sheet with a net debt to EBITDA ratio at the end of the period of 0.3 times.

Net debt was \$886 million at the end of the period compared with the net cash of \$541 million at the end of 2021.

This movement is largely explained by three factors, \$2.8 billion of EBITDA decrease from our subsidiaries, our \$1.9 billion investment in mine development, sustaining CapEx and the Los Pelambres Expansion Project, all of which are targeted at securing our production profile for the upcoming years, and more than \$1.3 billion paid in dividends, which reflect our commitment to sustainable shareholder returns.

## Capital allocation framework

*Creating sustainable value & shareholder returns over the long term*



**\$588 million dividends**  
100% of underlying net earnings

**Dividend, capex & pay-out ratio**  
\$ million, %



80% average pay-out ratio  
Last 5 years

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16

As you're aware, our capital allocation framework is fundamental to all our financial decisions which also consider our climate resilience.

Everything is underpinned by our strong operating cash flow, where our operational discipline allows us to achieve our annual production and Cost and Competitiveness Programme targets, and our gold and molybdenum by-products revenue stream from our two largest mines, Los Pelambres and Centinela, allows us to control our costs and capture price increases in these products.

Then we invest through the cycle in sustaining capital programmes and mine development, exposing the ore that will be mined in the following periods.

Next, we fulfil our minimum commitment to our shareholders by paying 35% of our underlying net earnings as dividends. With our excess cash flows, we consider the strength of our balance sheet and then assess our growth projects, which must be in line with our stringent return and risk criteria. If nothing fits our criteria, we return this excess cash to our shareholders as part of our dividend policy.

Following this disciplined framework allows us to invest and deliver consistent returns to our shareholders through the cycle. And the board has recommended 59.7 cents per share as total dividend for 2022, which is 100% of underlying net earnings, excluding the Reko Diq transaction.





Now, René will give you some more details on our sustainability performance. René.



René Aguilar

Vice President of Corporate Affairs and  
Sustainability

Thank you Mauricio, and good morning to everyone.

## Sustainability

Setting ourselves high standards



### Safety and Health

- Zero fatal accidents since July 2021
- 35% reduction High Potential Incidents

### People

- Wellbeing Strategy rolled out
- 20.6% of our employees are women<sup>1</sup>

### Suppliers

- Suppliers for a Better Future programme launched
- Set targets for suppliers' ESG performance

### Communities

- Measuring the impact of our investments on our communities
- \$57m social value creation investment

### Climate Change

- Scope 2 100% renewable energy<sup>2</sup>
- Scope 1 Decarbonising operations
- Scope 3 Assessing our position and working with our suppliers

### Environment

- Biodiversity Standard updated
- Decreasing continental water consumption

<sup>1</sup> Mining division  
<sup>2</sup> Mining division, since April 2022

Copper Mark and ICMM performance expectations - external independent certification

Enhancing transparency - ESG Databook available on website

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18

Sustainability at Antofagasta is about deploying a strategy that improves the lives of our employees, and embraces and supports the development of our surrounding communities, while at the same time managing the environmental impact of our operations. This is why it has been important for us to implement recognised sustainability standards.

And this year, all four of our mining operations were independently assessed against two benchmark industry responsible production standards, The Copper Mark and ICMM Performance Expectations.

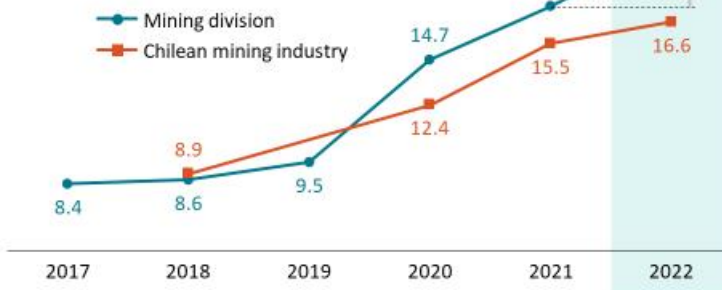
It is also important that we provide reliable information to our stakeholders regarding our performance. And so last year, we started publishing online our ESG data book, which we will update quarterly.

Our strategy allows us to put back more into society, the environment, and the global economy than we take out. We do this by setting ourselves goals on climate change, diversity and inclusion, by joining global challenges, protecting our employees, developing our suppliers, as well as how we address our environmental impact, so that overall, we have a net positive end result for nature.

## Diversity and Inclusion Strategy

*Promoting inclusive workspaces*

### Female employees



- Increased female participation by 18% in 2022
- Set aspirational goal of 30% by 2025
- Increased percentage of employees with disabilities

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The group's diversity and inclusion strategy launched in 2018 has transitioned from an awareness-raising phase about unconscious bias and discrimination, to introducing inclusive practices as an integral part of how we work.

We are deepening our inclusive organisational culture, which supports the retention of all people, whatever their gender, race, or sexual orientation. In a key initiative, we run a campaign on respectful behaviours, and held workshops on respectful environments.

In 2022, we increased the proportion of our female employees to 20.6% compared to 17.4% in 2021, meeting our goal for the year. This is a steady improvement since 2018, and we have more than doubled our female participation since then.

We have now set a new gender diversity goal for women to represent 30% of our employees by 2025.



## Environment and climate change

*Committed to emissions reduction and efficient water use*



100% renewable energy since April 2022<sup>1</sup>

Nearly 1 million tCO<sub>2</sub>e reduction<sup>2</sup> in Scope 2 emissions

84% of water used is recirculated<sup>3</sup>

45% of water used is from the sea<sup>3</sup>

### GHG emission targets

**30%**  
Reduction by 2025

**Carbon neutral**  
by 2050

### Sea and recirculated water

**More than 90%**  
of total operational use by 2025

1. Mining division  
2. Since 2020  
3. 2022

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20

As Iván mentioned, we are committed to the environment, and mitigating and adapting to climate change. All our mining operations have been using 100% renewable energy since April 2022, with an estimated emission reduction of nearly 1 million tonnes of CO<sub>2</sub> equivalent of our Scope 2 since 2020. With this reduction, we met our 30% reduction commitment three years early, and we will soon set ourselves a new medium term emission reduction goal for 2030, and a Scope 3 reduction target.

We have already begun working on a decarbonisation plan for all our operations, defining the baselines, the replacement plan for old trucks, the projection of energy inputs, as well as agreeing the assumptions for current and future technologies.

The final plan will clearly indicate the steps we must follow to be carbon-neutral by 2050 or sooner if the available technology allows it. In 2022, water use rates of our mining operations ranged from 79% at Los Pelambres to 94% at Zaldívar. With the completion of the Los Pelambres desalination plant this year and following its expansion, we are on track for sea and re-circulated water to be more than 90% of our total operational use by 2025.

## Communities

*Creating social and economic value for all*



Improved access to drinking water for human consumption and irrigation

Expanded our EnRed infrastructure and digital skills programme and implemented a digital literacy for local suppliers, entrepreneurs and schools

Our scholarship programme supported 951 students in secondary and tertiary education, double 2021

**\$57m**

Social value creation investment

**15**

of our social programmes impact assessed



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21

We aim to develop social programmes and projects in partnership with communities that lead to significant improvements in people's quality of life, and increasing their access to goods and services.

In 2022, we increased our social value creation investment to \$57 million, up from \$48 million the previous year. Although this financial contribution is significant, the real value lies in the social impact created.

Over the last five years, we have assessed the impact of 15 social programmes in six areas, water management, productivity support and entrepreneurship, community infrastructure, education, employability and supplier development.

This year, two areas of focus have stood out in terms of programmes that promoted equity and access to basic goods and equal opportunities, and had the biggest impact. We continue to enhance access to drinking water for human consumption and irrigation in rural areas near our operations. And we also intensified our En Red programme with over 20 initiatives aimed at addressing the infrastructure and digital skills deficit in the communities in our area.



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## Guidance and growth

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Iván Arriagada | Chief Executive Officer

22

Now, I'll pass over to Iván.



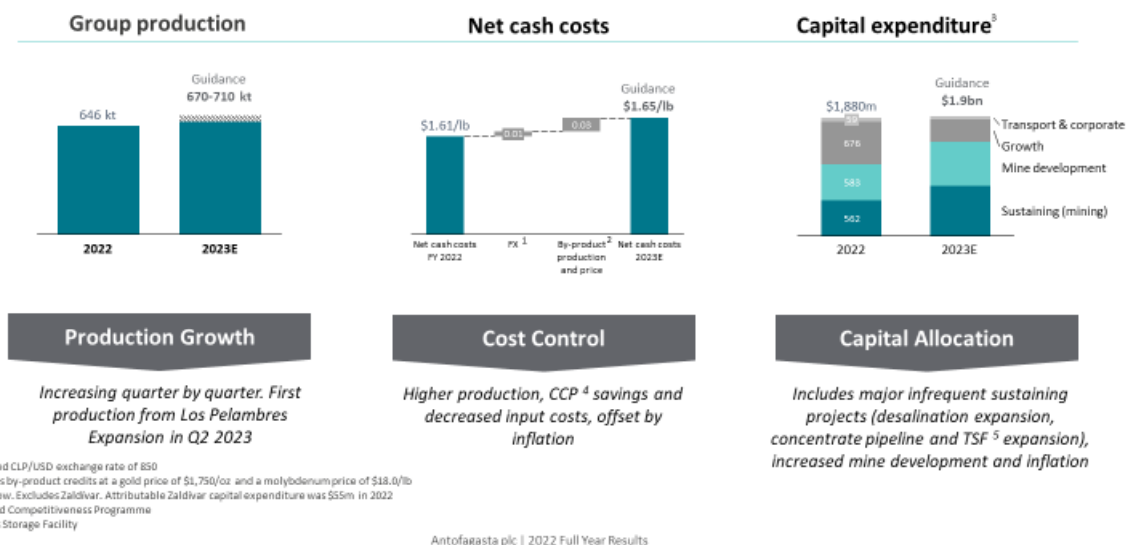
Iván Arriagada  
Chief Executive Officer.

Thank you, René.



## 2023 Guidance

*Responsible and reliable copper producer*



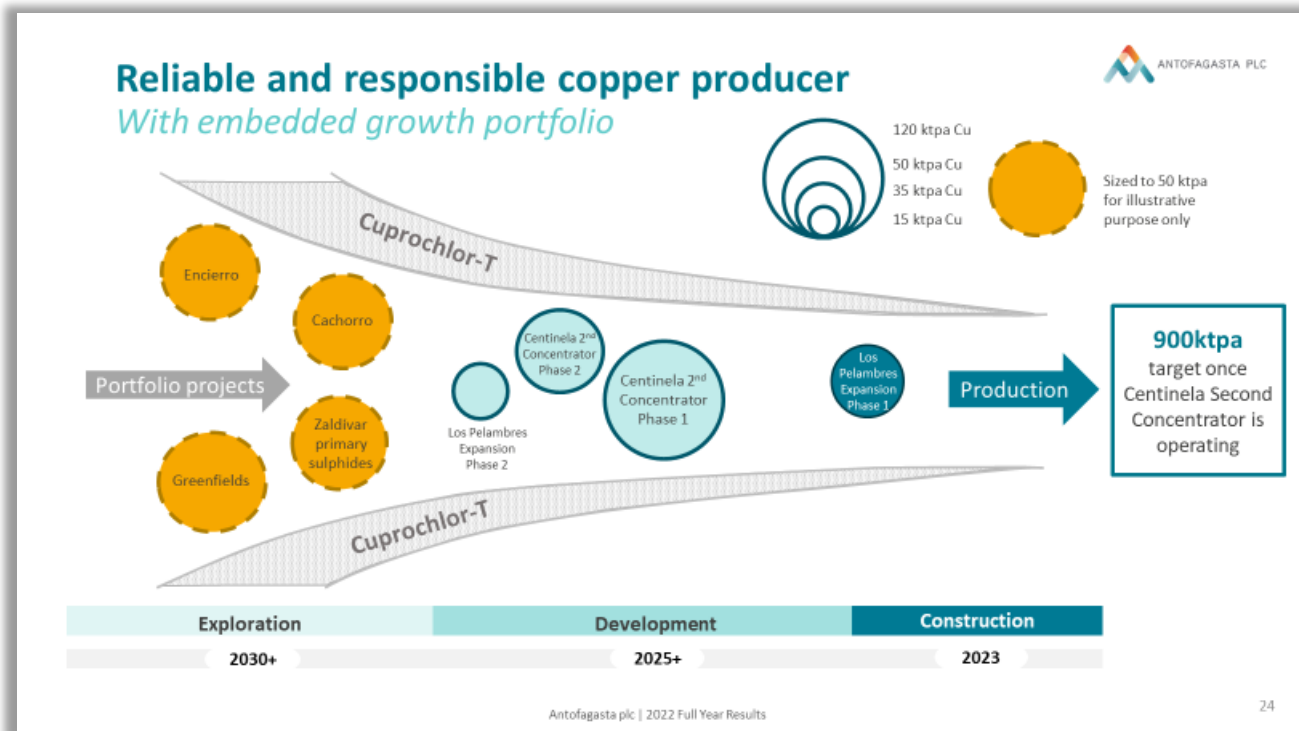
So, I'm going to close with a reference to guidance for this year, and also progress on our growth projects.

So, for this year, copper production will be in the range of 670 to 710,000 tonnes, which reflects essentially the completion of the Los Pelambres desalination plant and concentrator expansion during the year, partly offset by lower grades at Centinela Cathodes.

During the year, copper production is expected to increase quarter-on-quarter, mainly due to the production profile at Los Pelambres, and it's something that we also witnessed in 2022. Group cash costs in 2023 before and after by-product credits are expected to be \$2.20 before by-products, and \$1.65 after by-products.

As always, we remain very focused on productivity. And on the back of what has been achieved recently, we're now targeting savings of at least \$60 million under our Cost and Competitiveness Programme for 2023. We expect this will offset some of the other inflationary cost pressures we will see during the year.

Capex, capital expenditure, is expected to be \$1.9 billion as sustaining and mine development expenditure increases to approximately \$1.5 billion. This increase reflects inflation, higher mine development at Centinela concentrates, detailed engineering on the Los Pelambres desalination expansion, and concentrate pipeline sustaining Capex and the expansion of the tailings storage facility at Centinela. However, although there is some pre-investment expenditure on the Centinela Second Concentrator project, this estimate does not include project execution expenditure on that project for 2023.



Reliable and responsible copper producer is what we aim to be and to achieve, and I will talk a little bit about our pipeline portfolio.

We have a variety of exploration late-stage projects, which are in different phases. As you will note in the slide of evaluation, and will generate organic growth for the company, including a new recent discovery, which we call Encierro, which we are including for the first time in our Reserves and Resources Statement, joining the Cachorro project, which we included for the first time in 2021.

We have a huge mineral resource base of over 19 billion tonnes, of which some 7 billion tonnes are in the Centinela Mining District, and 6 billion are at Los Pelambres, giving us options to develop our inventory at the time when copper supply is becoming increasingly constrained. We expect our Cuprochlor-T® leach process will be adopted at our operations over the next few years, and this will allow us to maximise the utilisation of our leach assets and processes, processing all that might otherwise have been uneconomic.

In the meantime, we will continue to remain alert to any attractive external opportunity that may become available.

## Growth portfolio update

*Developing our project*



### Los Pelambres Expansion Phase 1

- 93.4% complete<sup>1</sup>
- 400 l/s desalination plant and concentrator expansion to 190,000 tpd
- In production Q2 2023



### Centinela Second Concentrator

- Board decision expected during 2023
- Estimated capital cost \$3.7 billion
- 95,000 tpd throughput 170,000tpa CuEq<sup>2</sup>
- Moves Centinela to 1st quartile of net cash costs

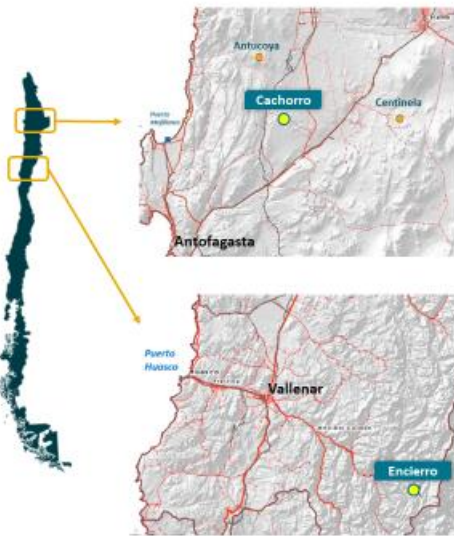
1 : By the end of 2022  
2 : First 10 years

So, to give you a brief update on some of our growth projects, at the end of last year, the Los Pelambres expansion project was 93% complete in terms of construction, with both the desalination plant and concentrator plant expansion due to be in production during the second quarter of this year.

Progress continues on the other hand with the engineering and pre-investment studies for the Centinela second concentrator. And in line with our disciplined approach to capital allocation, the project will be sent to the board for final investment approval, we expect during 2023, following completion of the Los Pelambres expansion project, and once there is sufficient clarity on the outcomes of the ongoing discussions on the mining royalty and tax reforms in Chile.

## Recent exploration success

Group mineral resources increased by 920Mt



### Cachorro

- Inferred resources 242Mt @1.21% Cu, 70% increase since 2021
- Important manto-type deposit in the coastal metallogenic belt of northern Chile
- Drilling continues in 2023
- Located between Antucoya and Centinela

### Encierro

- Inaugural inferred resource 522Mt @0.65% CuEq
- Only 15% of the property has been drilled
- Jointly held with Barrick Gold. Antofagasta the majority shareholder and operator

With respect to our recent exploration success during 2022, we increased our mineral resources by over 900 million tonnes, with over half of this coming from two recent exploration discoveries, Cachorro in the north of Chile, which reported its first inferred resource in 2021, and these were increased by over 70% last year to 242 million tonnes at 1.21% copper. This makes the project one of the most important manto-type deposits in the northern coastal belt in Chile.

Also, it lies between Antucoya and Centinela, so may benefit from the use of their facilities. The Encierro Project on the other hand, is in the Chilean High Andes, 100 kilometres east of the city of Vallenar, and 600 kilometres north of Santiago. And it declares its maiden inferred resource in 2022. The deposit is a complex copper gold moly Miocene porphyry deposit with inferred resources of 522 million tonnes at 0.65% grade copper. We will continue to drill these deposits and advance them through the development cycle over the coming years.

## Innovation and technology update

*Improves operations' costs and productivity*



### Autonomous trucks

- Operating at Esperanza Sur pit
- Reduces operator risk
- Increases efficiency

### Autonomous drilling

- At Los Pelambres and Centinela
- Increased utilisation by 10% compared with conventional system

### Integrated operations centre

- At Los Pelambres and Centinela
- Enabler for the operational continuity of the end-to-end value chain
- Improves performance and reduces variability

### Cuprochlor-T®

- Recoveries of 70% leaching primary sulphides
- 38,000 tonne industrial-sized heap leach test completed at Centinela
- Pre-feasibility testing at Zaldívar

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27

Now let me say a few words about innovation and technology. We're proud to report that last year, we inaugurated our first 100% autonomous operation at the Esperanza Sur pit, with a fleet of 11 trucks and two autonomous drill rigs.

This autonomous project makes it possible to eliminate the operator's exposure to risk, and increase the efficiency, and extends the equipment's lifecycle. The autonomous drilling equipment has a higher level of utilisation, 10% higher than a conventional system. Also, the integrated remote operations centres are already operating at Pelambres and Centinela. They allow the visualisation of real-time data to enable timely decisions to be taken while having a global view of all the processes. This allows a higher level of coordination and improves performance and decreases variability.

During '22, as I've mentioned, we completed the validation of our in-house patented primary sulphide leaching technology, Cuprochlor-T®, and made the technology available to our operations to incorporate in their long-term planning. The project continues advancing. An industrial size, 38,000-tonne leaching heap was completed at Centinela in 2021, and results in 2022 confirm recoveries of 70% or more after approximately 200 days, and pre-feasibility work is now starting at Zaldívar on the primary ore there. The process has the potential to unlock value from previously uneconomic mineral resources and is being considered as an option for the existing operations.





So let me finish now by looking ahead to this year and the opportunities ahead.

Safety is always our top priority. We're committed to having zero fatalities, and we will continue with the relentless focus on protecting the health of our workers and communities.

We continue to embed our climate change and sustainability strategy in our decision making.

On the critical resource of water, we will continue to take all necessary actions to mitigate the impact of the drought on communities and our operations. Most significantly, we will start production at our desalination plant at Los Pelambres in Quarter 2, 2023.

We are accelerating the implementation of innovation as today more than ever. It plays a key role in how our company goes forward. We're committed to maintaining our financial discipline, a key attribute of our group, with a focus on value creation and shareholder returns.

We are in a strong position to take advantage of the growth in copper demand. We have the embedded tonnes across our business, the ability to unlock them in a sustainable way, and we're a responsible and reliable producer who will deliver value to all our stakeholders.

2022 represented a temporary drop in our production profile, as we had expected, but looking forward, we see growth coming in the short term and the longer term as we advance our project portfolio.

So, thank you for your attention.