



ANTOFAGASTA PLC

# Developing Critical Minerals for a better future

BMO Global Metals, Mining & Critical Minerals Conference  
**Iván Arriagada** | Chief Executive Officer

27 February 2023



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# 2022 Highlights



**100%** renewable energy



Copper production

**646.2** kt

Record tonnage transported

**7.1** Mt

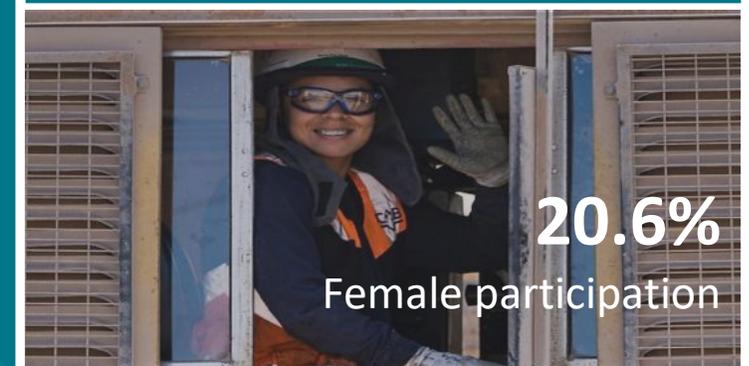


Net increase in mineral resources

**920** Mt

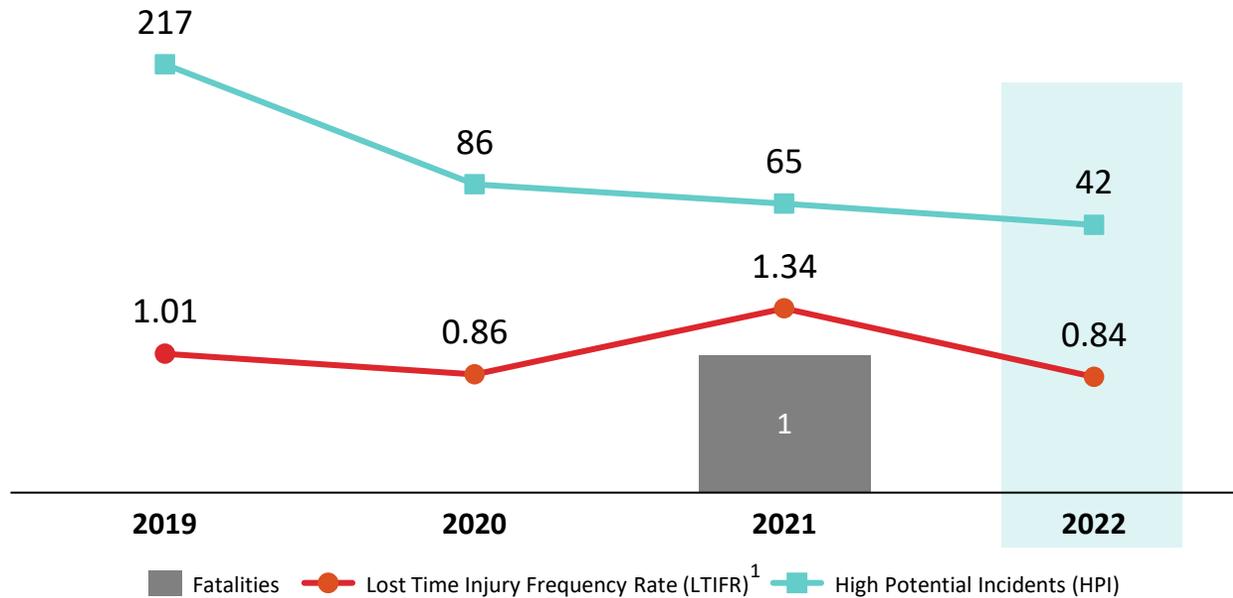
Los Pelambres Expansion project

**93%** complete



# Safety and health

## Record year for safety



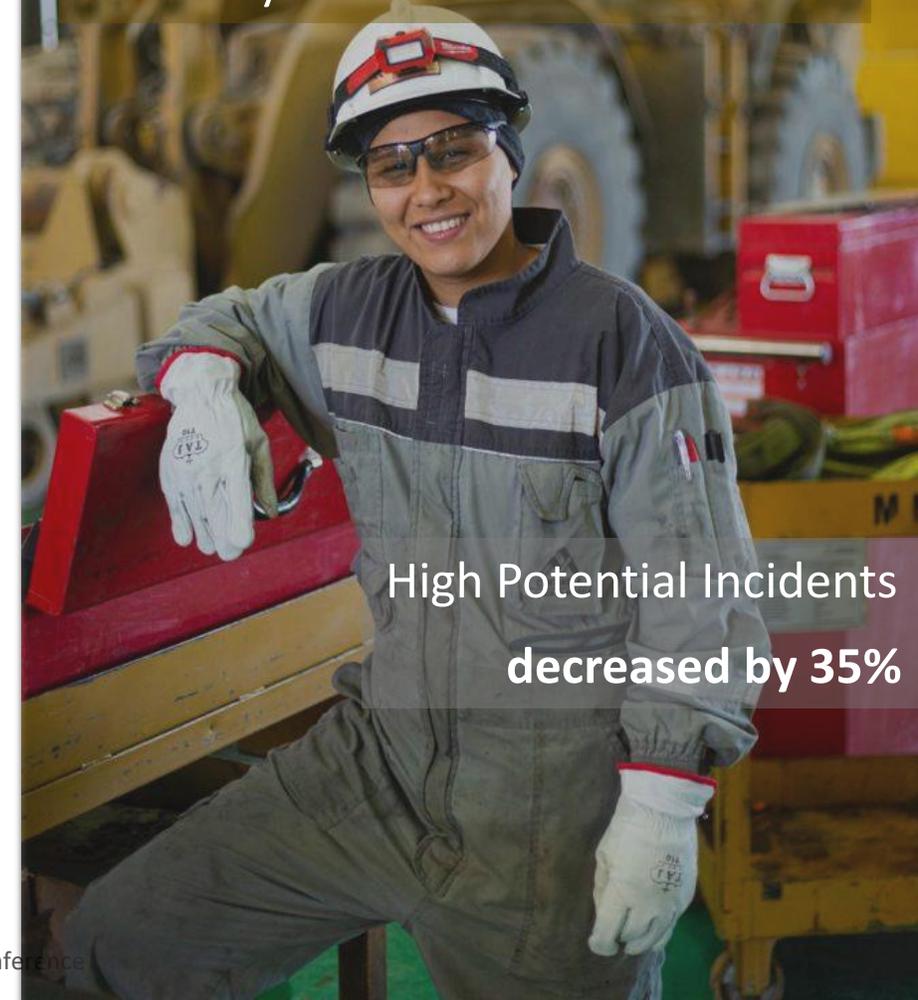
- Mining division LTIFR<sup>1</sup> improved 32% to 0.76
- Our job safety analysis and critical control management are integrated into our operational model

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

ANTOFAGASTA PLC

## Zero fatalities

since July 2021



High Potential Incidents  
decreased by 35%

# 2022 operational and financial performance

Guidance achieved: 646,200 tonnes at \$1.61/lb



Los Pelambres

**Cu production**  
**275 kt**  
**Net cash costs**  
**\$1.10/lb**

- Costs in the 1<sup>st</sup> cost quartile
- Production impacted by drought



Centinela

**Cu production**  
**248 kt**  
**Net cash costs**  
**\$1.75/lb**

- Centinela Concentrates in the 2<sup>nd</sup> cost quartile
- Operating above design capacity



Antucoya

**Cu production**  
**79 kt**  
**Cash costs**  
**\$2.50/lb**

- Record throughput
- Record production in Q4 2022
- Tight cost control, productivity improvements continued



Zaldívar

**Cu production**  
**45 kt**  
**Cash costs**  
**\$2.39/lb**

- Chloride Leach project commissioned
- Focusing on optimising mine and plant operations



Transport

**Tonnage transported**  
**7.1Mt**

- Increased haulage capacity and efficiency
- Record tonnage transported

**Cost and Competitiveness Programme reduced costs by 7c/lb**

# 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



# 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

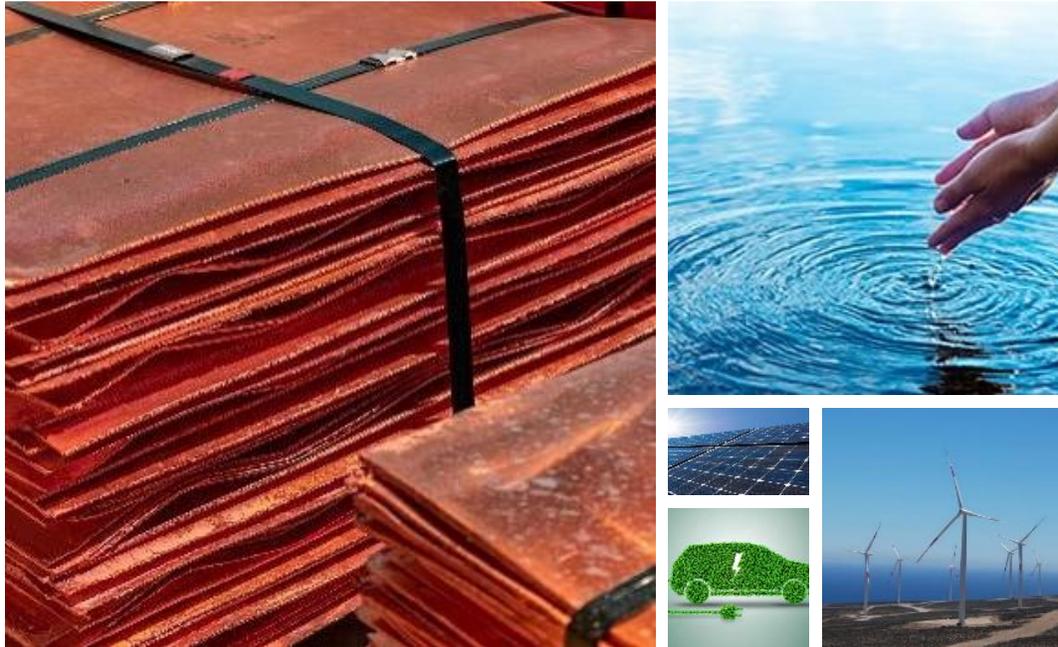
<sup>2</sup> Mining division, since April 2022

Copper Mark and ICMM performance expectations - external independent certification

Enhancing transparency - ESG Databook available on website

# Environment and climate change

*Committed to emissions reduction and efficient water use*



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

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

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

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

## 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

# Growth portfolio update

## Developing our projects



### Cachorro

- Inferred resources 242Mt @1.21% Cu. 70% increase since 2021
- Drilling continues in 2023



### Encierro

- Maiden inferred resource 522Mt @0.65% CuEq
- Only 15% of property has been drilled

**EXPLORATION FOCUSED ON CHILE, PERU, USA AND CANADA**

### Los Pelambres Expansion Phase 2



- Increases throughput to 205,000 tpd and extends life of mine by 15+ years
- Requires two separate EIA applications

### Centinela Second Concentrator



- FID decision during 2023
- Capital cost \$3.7 billion
- Moves Centinela to 1<sup>st</sup> cost quartile

### Los Pelambres Expansion Phase 1



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

### Esperanza Sur pit

- Cu +10-15,000 tpa
- Capex \$170m

### Zaldivar Chloride Leach

- Cu +10-15,000 tpa
- Capex \$190m

**Exploration**

**2030+**

**Development**

**2025+**

**Construction**

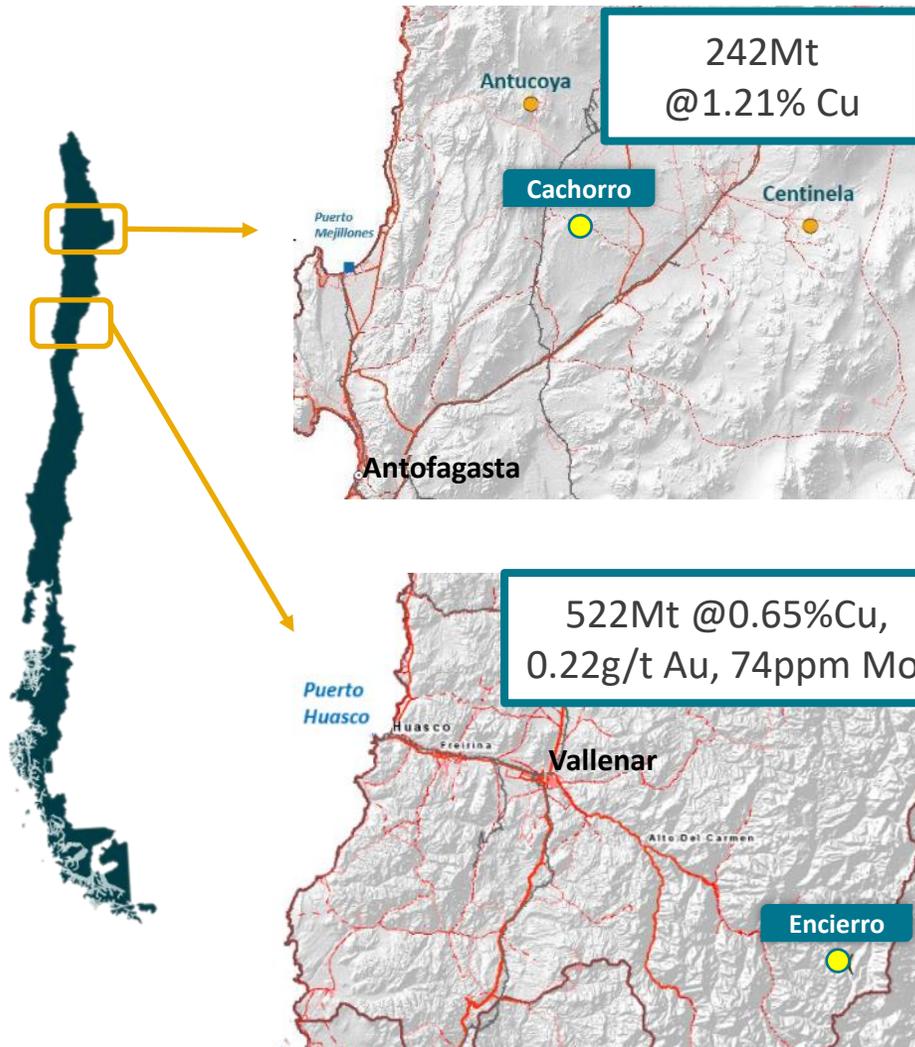
**2023**

**Completed**

**2022**

# Recent exploration success

*Group mineral resources increased by 920Mt*



## Cachorro

- 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
- Estimated inferred resource for the central part of the deposit, represents only a part of its potential
- Lies between Antucoya and Centinela
- Infill drilling will continue during 2023

## Encierro

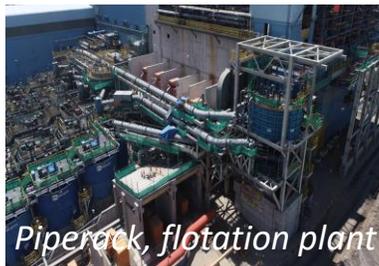
- Encierro deposits is a complex Cu-Au-Mo porphyry system is one of the most important discoveries within the El Indio and Maricunga belts. Maiden inferred resources of 522Mt @ 0.79CuEq in 2022
- Remains open. Further exploration is 2023
- Antofagasta (57%) is forming a mining contractual company with Barrick (43%).

# Los Pelambres Expansion Phase 1

Concentrator Plant



Desalination Plant



Piperack, flotation plant



SAG mill



STATCOM<sup>1</sup> y GIS<sup>2</sup>



Reverse osmosis plant



Pre-treatment area



Pumping system

1 STATCOM: Static synchronous compensator

2 GIS: Gas Insulated Switchgear

# Reliable and responsible copper producer

*Potential 900,000 tpa of copper*

## Organic growth

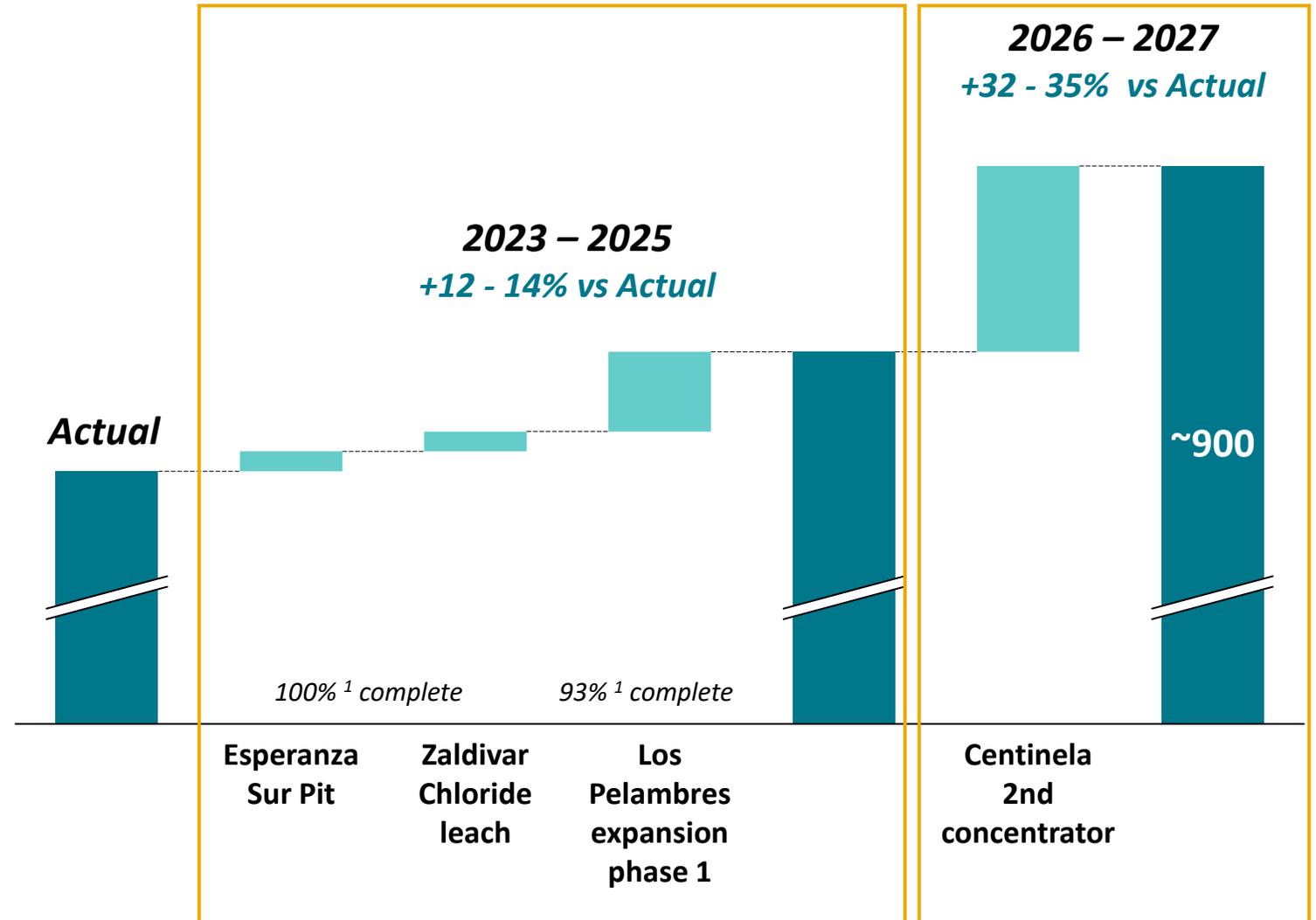
key strength of our portfolio

## Solid bases

four mines in two world-class districts in Chile

## Management risks

Technical, social, environmental and commercial risks have been assessed



<sup>1</sup> End 2022

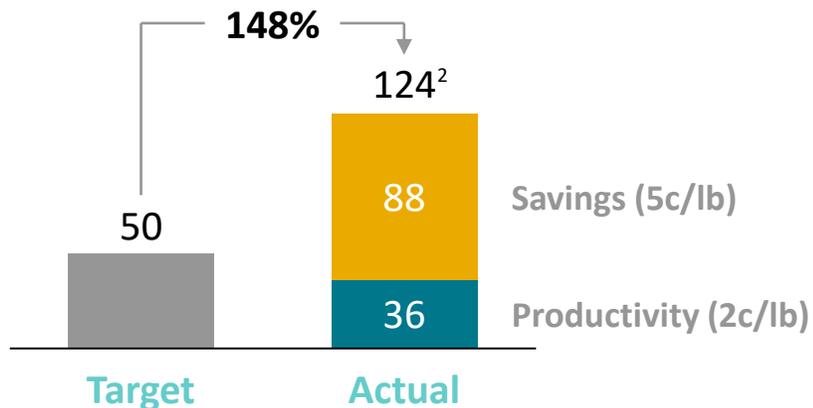
Indicative directional projection including projects not yet approved and subject to risk uncertainty

# Cost and Competitiveness Control

## Technology and cost discipline

### Results CCP<sup>1</sup> 2022

\$ million



**Cash costs before  
by-product credits  
-7c/lb  
vs Actual 2021**

### Cost control

- Contract management
- Consumption of operational inputs
- Organisational productivity

### Full capacity

- Centinela and Antucoya operating above design capacity
- Use of equipment (Drilling and blasting platform)

### Technology

- Autonomous operation in Esperanza Sur Pit was completed
- Centinela's and Los Pelambres' IROCs<sup>3</sup> went fully operational during 2022

### Innovation

- Cuprochlor<sup>®</sup>-T patent was granted in Chile in 2022 after successful completion of the industrial-scale trial at Centinela

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

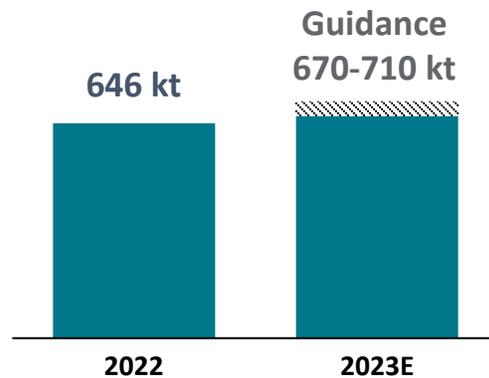
<sup>2</sup> Includes 100% of Zaldívar

<sup>3</sup> Integrated Remote Operations Centre

# 2023 Guidance

*Responsible and reliable copper producer*

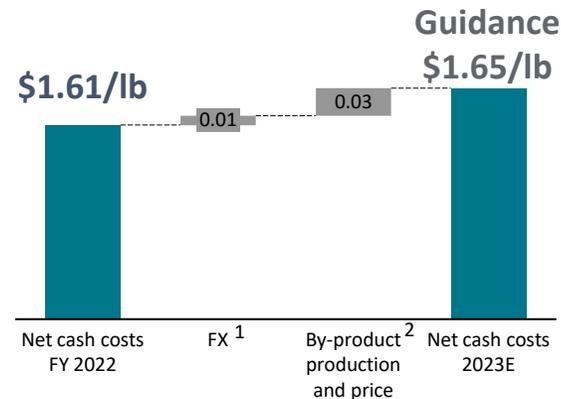
## Group production



### Production Growth

*Increasing quarter-by-quarter.  
First production from Los Pelambres  
Expansion in Q2 2023*

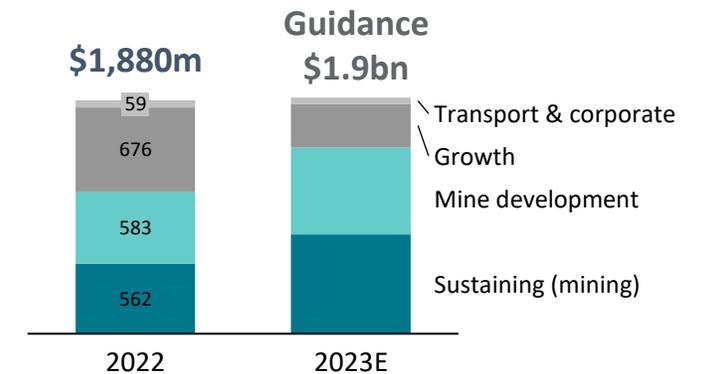
## Net cash costs



### Cost Control

*Higher production, CCP <sup>4</sup> savings and  
decreased input costs, offset by  
inflation*

## Capital expenditure <sup>3</sup>



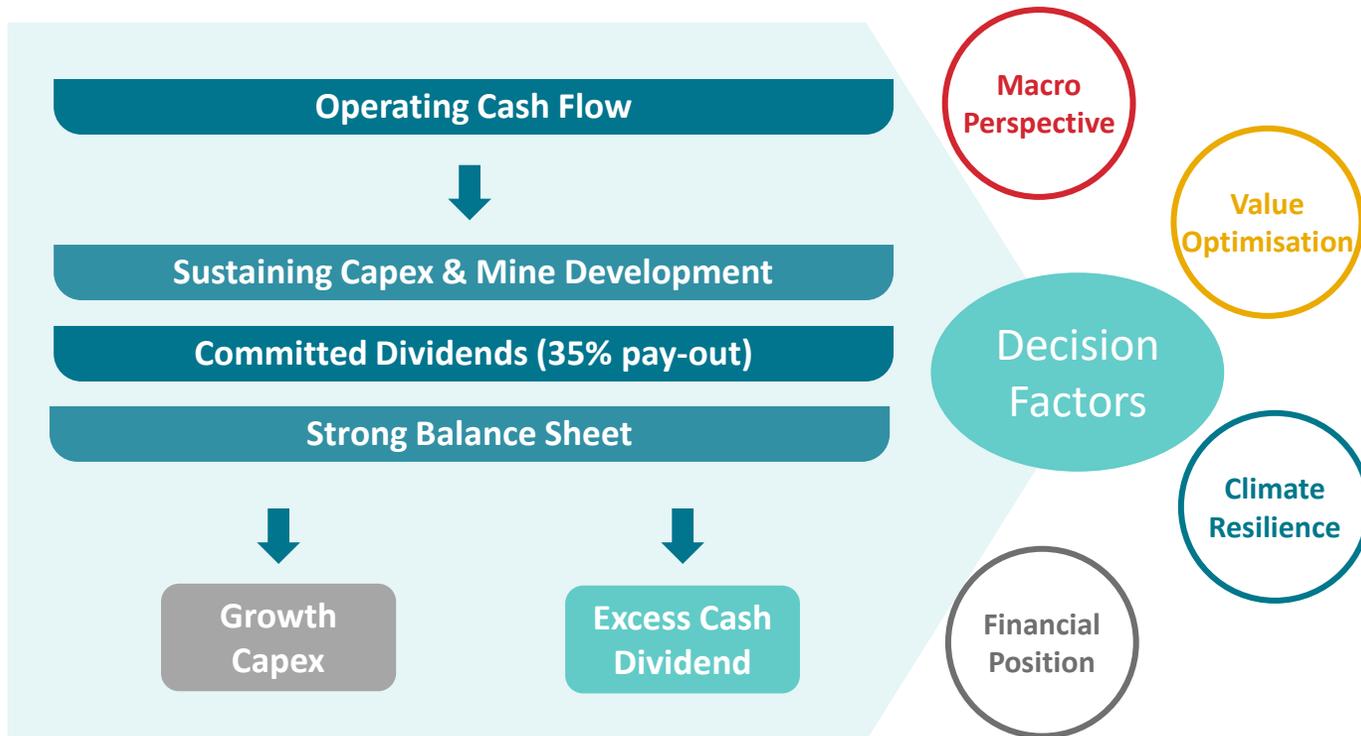
### Capital Allocation

*Includes major infrequent sustaining  
projects (desalination expansion,  
concentrate pipeline and TSF <sup>5</sup> expansion),  
increased mine development and inflation*

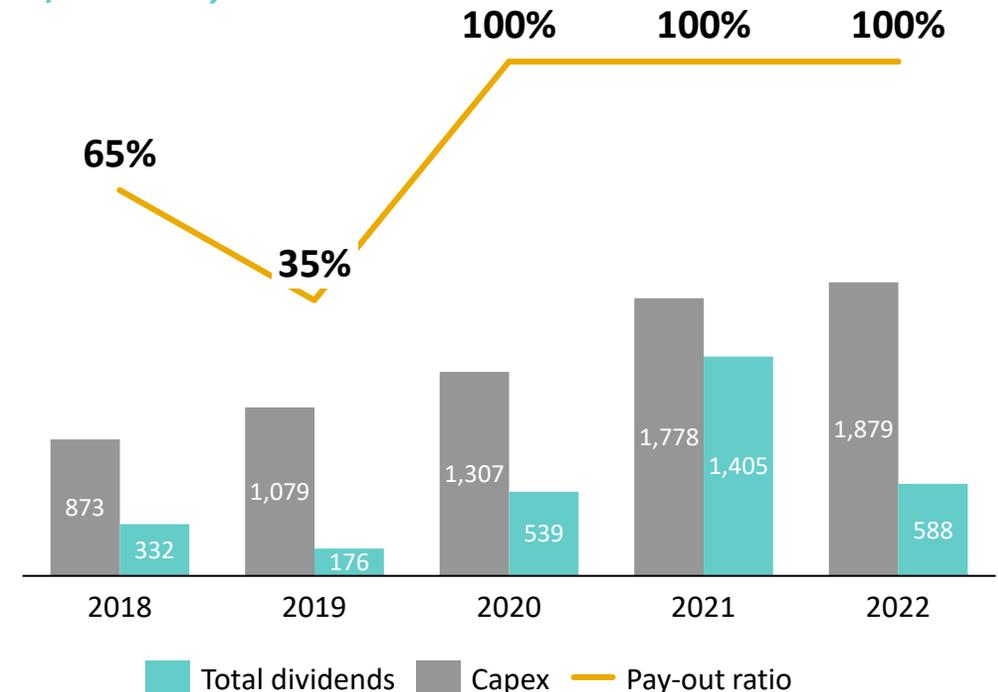
<sup>1</sup> Assumed CLP/USD exchange rate of 850  
<sup>2</sup> Includes by-product credits at a gold price of \$1,750/oz and a molybdenum price of \$18.0/lb  
<sup>3</sup> Cash flow. Excludes Zaldívar. Attributable Zaldívar capital expenditure was \$55m in 2022  
<sup>4</sup> Cost and Competitiveness Programme  
<sup>5</sup> Tailings Storage Facility

# Capital allocation framework

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



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



**80% average pay-out ratio**  
Last 5 years

**\$588 million total dividend**  
100% of underlying net earnings

# Developing mining for a better future

*Sustainable returns to shareholders and  
delivering value to all stakeholders*



- 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
- Continuous productivity improvements to optimise margins
- Advancing our growth projects and innovation portfolio



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