

Q4 2023 PRODUCTION REPORT

DELIVERING INCREASED PRODUCTION IN 2023, ENTERING A NEW PHASE OF GROWTH

Antofagasta plc CEO, Iván Arriagada said: *“2023 was a year of significant progress, and we are pleased to be moving forward into the next phase of development and growth for our Company. In 2023, we recorded another strong year of safety performance, with no fatalities and a reduction in lost time injury rates. We have delivered a year of robust operational performance in 2023, with production increasing by 2% and net cash costs in line year-on-year, with our strong cost discipline and increased output of by-products offsetting industry-wide cost inflation. Production in 2024 is expected to increase to 670-710,000 tonnes of copper, as previously announced, with guidance for net cash costs set at \$1.60/lb.*

“On growth, we are finalising the delivery of the Phase 1 Expansion Project at Los Pelambres, which will help to maintain this asset’s future production. Underpinning our future growth, we recently announced the approval of the Centinela Second Concentrator Project, which will provide an additional 170,000 copper-equivalent tonnes of production into an increasingly constrained global market for copper.¹

“In line with our strategy of prioritising exploration and investment in the Americas, in December we disclosed our investment in Buenaventura², reflecting the potential we see in Buenaventura’s asset portfolio and the highly prospective geology of Peru.

“With the delivery of projects and announcement of a new phase of investment in growth, our Company is well-positioned for the future. Copper prices continued to show stability in 2023 and we believe in copper’s fundamental role in the energy transition and electrification, which will support long-term pricing.”

HIGHLIGHTS

PRODUCTION

- **Group copper production in Q4 2023 was 191,500 tonnes**, 10% higher than Q3 2023, primarily related to production increases at both Los Pelambres and Centinela.
- **Group copper production for the full year was 660,600 tonnes**, 2% higher than the previous year, with an increasing contribution from Los Pelambres, as the Phase 1 Expansion Project ramps up.
- **Gold production for the full year 2023 was 209,100 ounces**, 18% higher than 2022 due to higher gold grades at Centinela. Gold production of 65,500 in Q4 represents a 14% increase compared to the previous quarter, with this increase driven by higher gold grades at Centinela.
- **Molybdenum production for the full year 2023 was 11,000 tonnes**, representing a 13% increase year-on-year due to higher throughput rates at Los Pelambres and higher recoveries at Centinela. Molybdenum production in Q4 2023 fell by 9% to 2,900 tonnes, primarily due to lower recoveries at Centinela.

CASH COSTS

- **Cash costs before by-product credits in Q4 2023 were \$2.07/lb**, 9% lower than the previous quarter due to higher production across the Group and lower costs in Q4 at all our operations.
- **Cash costs before by-product credits in full year 2023 were \$2.31/lb**, 5% higher than the prior year, primarily due to local inflation, appreciation of the Chilean peso and the conclusion of a number of 3-year labour agreements.
- **Net cash costs in Q4 2023 were \$1.50/lb**, 2% higher than in the previous quarter, with lower cash costs before by-products offset by lower by-product credits, related to lower molybdenum production and pricing.
- **Net cash costs for the full year 2023 were \$1.61/lb**, in line with 2022 and ahead of guidance for the year, reflecting a balance of higher underlying cash costs before by-products, alongside higher production and pricing for by-products.

¹ Production average over an initial 10-year period.

² Compañía de Minas Buenaventura S.A.A.

GROWTH PROJECTS UPDATE

- The Company announced the approval of the Centinela Second Concentrator in late December 2023, which is a growth project that is expected to add 170,000 tonnes of copper-equivalent production¹ to the Company's portfolio. The project is expected to deliver a reduction in Centinela's overall net cash costs, moving it towards the first quartile on the global cost curve, due to a greater emphasis on modern technologies and by-products, and economies of scale. The capital cost estimate for this project is \$4.4 billion, which will be financed by a combination of project finance (c.60%) and direct funding (c.40%) from Centinela's shareholders (Antofagasta plc and Marubeni Corporation). Critical path works began immediately after announcement, with full construction expected to commence after definitive project finance documents have been executed during Q1 2024. In parallel, the Company is reviewing a potential outsourcing of Centinela's water supply, the impact of which is not included in capital cost estimate referenced above. For further details, please see the press release and presentation provided on the Company's website (www.antofagasta.co.uk/).
- Following the commissioning of the Phase 1 desalination plant for Los Pelambres, the successful ramp up towards this facility's instantaneous design capacity of 400 litres per second is nearing completion, with an average output of approximately 307 litres per second during December 2023 (Q3 2023: 248 litres per second).
- The fourth concentrator line at Los Pelambres is successfully completing its commissioning phase, with an additional two million tonnes of ore processed as of the end of the year.
- In November 2023, the Environmental Impact Assessment (EIA) was approved for the project to double the size of the Los Pelambres' desalination plant to an instantaneous design capacity of 800 litres per second, as well as replacing the concentrate pipeline and the construction of certain planned enclosures at the El Mauro tailings storage facility. This work represents one part of the Los Pelambres Phase 2 Expansion Project, approval of which will be considered by the Board of Directors during Q1 2024.
- The Company continues to progress test work on its patented Cuprochlor-T technology for the leaching of primary sulphides, which has now achieved recovery rates of more than 70% after 220 days. The Company is now evaluating the feasibility of advancing this technology across other mining operations, including third parties.
- In December 2023, the Company announced an investment to acquire beneficial ownership of approximately 19% of the outstanding shares of Compañía de Minas Buenaventura S.A.A. ("Buenaventura"). Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru, with the Company's investment in line with its strategy of prioritising exploration and investment in the Americas.

2024 GUIDANCE

- As previously announced, Group production in 2024 is expected to be 670-710,000 tonnes of copper. Output of by-products is expected to be 195-215,000 ounces of gold and 11.0-12.5 tonnes of molybdenum. The expected increase in copper production in 2024 principally reflects the addition of the Los Pelambres Phase 1 Expansion Project in 2023, with increased water availability and ore processing capacity expected in 2024.
- Group cash costs in 2024 before by-product credits are expected to be \$2.25/lb, in line with 2023, with the positive impact of higher production balanced by a short-term reduction in ore grades at Los Pelambres.
- Group net cash costs in 2024 are expected to be \$1.60/lb, with by-product credits expected to remain in line year-on-year.

¹ Production average over an initial 10-year period.

- In 2024, consolidated Group capital expenditure, which excludes Zaldívar, is expected to be \$2.7 billion, with sustaining and mine development expenditure broadly in line year-on-year, and as development expenditure commences on the Centinela Second Concentrator (not including any potential reduction in capital expenditures as a result of the process to outsource Centinela’s water supply) and other growth projects at Los Pelambres and Centinela.

SAFETY AND SUSTAINABILITY

- The Group continues to prioritise the safety of its workforce, achieving a strong performance in safety metrics during 2023, with no fatalities during the year (2022: zero) and the Group’s lost time injury frequency rate (LTIFR) of 0.62 representing a 26% reduction year-on-year. Recent safety highlights within the Group include the completion of more than 39 million hours worked to date on the Los Pelambres Phase 1 Expansion Project with a LTIFR of less than 1.0, and our Transport Division reducing its incidence rate for lost time injuries by more than 50% in 2023, resulting in a LTIFR of 0.9 (2022: 2.2).
- In June 2023, Zaldívar submitted an EIA application to extend its mining and water environmental permits through to 2051. This includes a proposal to develop the primary sulphide ore deposit and extend the current life of mine at an estimated investment over the mine life of \$1.2 billion. It also includes a plan to change the mine’s water source from the local aquifer to either seawater or water provided by third parties. This will follow a transition period during which the current continental water extraction permit is extended from 2025 to 2028. In parallel, the Company has submitted a Declaration of Environmental Impact (“DIA”) to align the expiry date of Zaldívar’s current mining permit (2024) to the current water permit (2025).
- Considering the continuing drought in central Chile and the recent changes in the Water Code, discussions have continued during the quarter with stakeholders in the Choapa Valley about water distribution arrangements in the area, following an agreement being reached with local communities in 2023. The relevant water authority has continued in the process of reviewing this proposal. This ongoing process involves no material change to the availability of continental water at Los Pelambres.

LEGISLATIVE

- In December 2023, Chileans voted to reject a proposed constitution, and as a result the country will now continue with the existing constitution, which has been in place for several decades.

OTHER

- During Q4 2023, the Company concluded three-year labour agreements with two workers unions at Centinela.
- In 2024, the Company has one labour agreement scheduled to expire during the year, which is an agreement with a worker’s union at Centinela (due to expire in November 2024).
- In November 2023, Twin Metals Minnesota (TMM) appealed the September 2023 order issued by a District Court in the United States, which dismissed the claims filed by TMM that challenged the administrative actions that resulted in the rejection of its preference right lease applications, the cancellation of its federal leases 1352 and 1353 and the rejection of its Mine Plan of Operations for the Maturi Deposit in Minnesota. This action is pending.

GROUP PRODUCTION AND CASH COSTS		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Copper production	kt	660.6	646.2	2.2	191.5	173.6	10.3
Copper sales	kt	667.2	642.5	3.8	213.4	158.4	34.7
Gold production	koz	209.1	176.8	18.3	65.5	57.4	14.1
Molybdenum production	kt	11.0	9.7	13.4	2.9	3.2	(9.4)
Cash costs before by-product credits ⁽¹⁾	\$/lb	2.31	2.19	5.5	2.07	2.27	(8.8)
Net cash costs ⁽¹⁾	\$/lb	1.61	1.61	-	1.50	1.47	2.0

(1) Cash cost is a non-GAAP measure used by the mining industry to express the cost of production in US dollars per pound of copper produced.

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MINING OPERATIONS

Los Pelambres

Copper production at Los Pelambres during Q4 2023 was 90,700 tonnes, 12% higher than in the previous quarter due to higher throughput rates, in line with the ramp up of the Phase 1 Expansion Project. Copper sales in Q4 2023 benefitted from adverse weather conditions at the Company's port, which pushed shipments from September to October 2023.

For the full year 2023, copper production was 300,300 tonnes, 9% higher than the prior year. This increase was driven by increased throughput rates in 2023, which resulted from increasing availability of water from the Company's desalination plant as it successfully completes its ramp up, and additional ore processing capacity provided by the fourth concentrator line that is nearing the end of its commissioning phase. Molybdenum production in Q4 2023 was 2,300 tonnes, representing a 4% reduction on the previous quarter due to lower grades. Full year molybdenum production was 8,100 tonnes, representing a 13% increase year-on-year, which was the result of higher throughput rates.

Cash costs before by-product credits in Q4 were \$1.79/lb, 5% lower than in the previous quarter. For the full year cash costs before by-product credits were \$1.92/lb, 4% higher than in 2022. The key drivers behind this increase in 2023 are appreciation of the Chilean peso, local inflation, and the conclusion of 3-year labour agreements, partially offset by higher production and lower input costs. Net cash costs for the quarter were \$1.27/lb, 34% higher than in Q3 2023, with this increase driven primarily by reduced by-product credits, for the reasons outlined above. For the full year, net cash costs were \$1.14/lb, 4% higher than in 2022, reflecting a similar increase in the underlying cash costs and higher production and pricing for molybdenum.

Following the commissioning of the Phase 1 desalination plant for Los Pelambres, the ramp up towards this facility's instantaneous design capacity of 400 litres per second continues, with an average output of approximately 307 litres per second during December 2023 (Q3 2023: 248 litres per second). The fourth concentrator line at Los Pelambres is nearing the successful completion of its commissioning phase, with an additional two million tonnes of ore processed as of the end of the year.

Major maintenance is scheduled in Q1 and Q4 2024, which is factored into full year guidance.

LOS PELAMBRES		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Daily ore throughput	kt	152.4	136.9	11.3	185.5	164.1	13.0
Copper grade	%	0.62	0.64	(3.1)	0.61	0.61	-
Copper recovery	%	89.3	89.3	-	89.7	89.2	0.6
Copper production	kt	300.3	275.0	9.2	90.7	81.1	11.8
Copper sales	kt	299.0	271.2	10.3	100.8	69.1	45.9
Molybdenum grade	%	0.017	0.017	-	0.016	0.017	(5.9)
Molybdenum recovery	%	85.5	85.6	(0.1)	85.0	84.6	0.5
Molybdenum production	kt	8.1	7.2	12.5	2.3	2.4	(4.2)
Molybdenum sales	kt	8.1	6.8	19.1	2.3	2.1	9.5
Gold grade	g/t	0.038	0.042	(9.5)	0.030	0.041	(26.8)
Gold recovery	%	69.0	70.0	(1.4)	76.4	63.7	19.9
Gold production	koz	43.3	43.1	0.5	11.8	11.9	(0.8)
Gold sales	koz	42.1	42.3	(0.5)	12.4	9.3	33.3
Cash costs before by-product credits ⁽¹⁾	\$/lb	1.92	1.84	4.3	1.79	1.88	(4.8)
Net cash costs ⁽¹⁾	\$/lb	1.14	1.10	3.6	1.27	0.95	33.7

(1) Includes tolling charges of \$0.25/lb in Q4 2023, \$0.24/lb in Q3 2023, \$0.23/lb in FY 2023 and \$0.18/lb FY 2022.

Centinela

During Q4 2023, total copper production was 68,900 tonnes, 8% higher than the previous quarter, with production of both cathodes and copper concentrates contributing higher production volumes. Sales of copper in concentrate in Q4 2023 benefitted from adverse weather conditions at the Company's port, which pushed shipments from September to October 2023. Total copper production for the full year was 242,000 tonnes, 2% lower than last year but in line with the Company's original guidance given for 2023. This reduction in output reflects lower ore grades at Centinela Cathodes, which was partially offset by higher ore grades at Centinela Concentrates.

Concentrate production for the quarter was 45,700 tonnes, 7% higher than in Q3, due to elevated processing throughput rates, copper grades and recoveries. For the full year, copper in concentrate production was 162,700 tonnes, 9% higher than in 2022, reflecting a combination of higher ore grades and copper recoveries, with the concentrator operating in line with its design capacity.

Cathode production during the quarter was 23,200 tonnes, 10% higher than the previous quarter, primarily as a result of higher copper grades and recoveries. Full year copper cathode production was 79,300 tonnes, 19% lower than in 2022 due to lower copper grades, offset by higher throughput rates.

Gold production for the quarter was 53,600 ounces, 18% higher than the previous quarter on higher gold grades. For the full year, gold production was 165,800 ounces, 24% higher than in 2022 due to higher gold grades (which are positively correlated to copper grades). Molybdenum production fell by 25% in Q4 2023, reflecting lower molybdenum recoveries. Full year production of molybdenum reached 2,900 tonnes – a record for Centinela, with this year-on-year increase of 21% reflecting higher molybdenum recoveries during the year.

Cash costs before by-product credits in Q4 2023 were \$2.19/lb, 14% lower than in the previous quarter, reflecting higher production volumes of both concentrates and cathodes during the quarter, in addition to lower input costs during the period. Cash costs before by-product credits for the full year were \$2.57/lb, 5% higher than in 2022 due to lower copper production, the conclusion of 3-year labour agreements and higher contractor costs related to mining.

In Q4 by-product credits decreased by 10c/lb compared with Q3, which relates to lower molybdenum production and pricing, which was partially offset by higher gold output and pricing. For the full year, by-product credits were \$0.94/lb, 25c/lb higher than in 2022 due to higher production and pricing of both gold and molybdenum.

Net cash costs in Q4 were \$1.30/lb, 16% lower than in the previous quarter due to higher copper production and the reasons stated above related to lower cash costs before by-products. During the full year net cash costs were \$1.63/lb, 12c/lb lower than 2022 due to higher by-product credits.

In 2024, the labour agreement with a worker's union expires in November.

In line with previous years, major maintenance is scheduled in Q1 and Q3 2024, which is factored into full year guidance.

CENTINELA		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
CONCENTRATES							
Daily ore throughput	kt	107.4	108.9	(1.4)	111.7	109.5	2.0
Copper grade	%	0.52	0.49	6.1	0.55	0.53	3.8
Copper recovery	%	83.2	80.5	3.4	84.1	82.8	1.6
Copper production	kt	162.7	149.3	9.0	45.7	42.8	6.8
Copper sales	kt	166.9	148.6	12.3	52.3	43.1	21.3
Molybdenum grade	%	0.013	0.013	-	0.011	0.011	-
Molybdenum recovery	%	66.7	56.9	17.2	58.4	67.8	(13.9)
Molybdenum production	kt	2.9	2.4	20.8	0.6	0.8	(25.0)
Molybdenum sales	kt	3.0	2.4	25.0	0.6	0.9	(33.3)
Gold grade	g/t	0.21	0.17	23.5	0.26	0.22	18.2
Gold recovery	%	66.6	65.0	2.5	66.8	67.2	(0.6)
Gold production	koz	165.8	133.7	24.0	53.6	45.5	17.8
Gold sales	koz	162.8	132.3	23.1	59.0	45.4	30.0
CATHODES							
Daily ore throughput	kt	58.3	55.0	6.0	64.3	65.6	(2.0)
Copper grade	%	0.53	0.69	(23.2)	0.56	0.51	9.8
Copper recovery	%	67.0	66.2	1.2	71.0	64.0	10.9
Copper production – heap leach	kt	75.6	94.2	(19.7)	22.5	20.2	11.4
Copper production – total ⁽¹⁾	kt	79.3	98.2	(19.2)	23.2	21.1	10.0
Copper sales	kt	81.0	97.5	(16.9)	23.1	20.9	10.5
Total copper production	kt	242.0	247.5	(2.2)	68.9	63.8	8.0
Cash costs before by-product credits ⁽²⁾	\$/lb	2.57	2.44	5.3	2.19	2.54	(13.8)
Net cash costs ⁽²⁾	\$/lb	1.63	1.75	(6.9)	1.30	1.55	(16.1)

(1) Includes production from ROM material

(2) Includes tolling charges of \$0.17/lb in Q4 2023, \$0.18/lb in Q3 2023, \$0.17/lb in FY 2023 and \$0.14/lb FY 2022.

Antucoya

During Q4 production was 21,600 tonnes, 18% higher than the previous quarter, which was largely due to throughput increasing to a new record of 93,500 tonnes per day. Copper sales in Q4 2023 benefitted from adverse weather conditions at the Company's port, which pushed shipments from September to October 2023. Production for the full year was 77,800 tonnes, 1.8% lower than last year due to a combination of marginally lower ore grades and recoveries. The plant continues to operate in line with its design throughput.

Costs during the full year were 5% higher at \$2.63/lb, reflecting local inflation, appreciation of the Chilean peso, higher consumption rates of sulphuric acid in line with expectations, with lower input costs serving to partially offset these effects. During the quarter, cash costs were \$2.44/lb, compared to \$2.65/lb in Q3, with this reduction due to the increase in copper production during the quarter, lower sulphuric acid consumption rates and depreciation of the Chilean peso, offset by higher unit prices for sulphuric acid.

Major maintenance scheduled to take place in Q1 and Q2 2024, with this factored into full year guidance.

ANTUCOYA		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Daily ore throughput	kt	88.6	89.4	(0.9)	93.5	81.5	14.7
Copper grade	%	0.33	0.34	(2.9)	0.34	0.34	-
Copper recovery	%	67.9	69.0	(1.6)	68.9	67.8	1.6
Copper production	kt	77.8	79.2	(1.8)	21.6	18.3	18.0
Copper sales	kt	78.4	80.8	(3.1)	25.3	15.7	61.1
Cash costs	\$/lb	2.63	2.50	5.2	2.44	2.65	(7.9)

Zaldívar

During the quarter attributable production at Zaldívar was 10,300 tonnes of copper, broadly in line with the previous quarter, which was the result of a balance between lower recoveries and higher ore processing rates. Attributable copper production for the year was 40,500 tonnes, 9% lower than in 2022 mainly due to lower ore processing rates, which were partially mitigated by improved recoveries during the year.

Cash costs for the full year were \$2.95/lb, 23% higher than the previous year's costs due to lower production, local inflation, increased costs for maintenance and utilisation of stocks from the prior period. During the quarter, cash costs were \$2.91/lb compared to \$2.98/lb in Q3, with costs reflecting a balance of a reduction of inventory during the quarter, higher sulphuric acid consumption rates and higher input costs, with the prior period including costs associated with the conclusion of a 3-year labour agreement.

Major maintenance scheduled in Q1 and Q3 2024 is included in full year guidance.

ZALDÍVAR		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Daily ore throughput	kt	35.0	40.4	(13.4)	38.1	36.5	4.4
Copper grade	%	0.79	0.79	-	0.82	0.82	-
Copper recovery	%	57.6	54.0	6.7	52.1	57.7	(9.7)
Copper production – heap leach ⁽¹⁾	kt	28.5	31.9	(10.7)	7.5	7.2	4.2
Copper production – total ^(1,2)	kt	40.5	44.5	(9.0)	10.3	10.4	(1.0)
Copper sales ⁽¹⁾	kt	41.9	44.4	(5.6)	11.9	9.7	22.7
Cash costs	\$/lb	2.95	2.39	23.4	2.91	2.98	(2.3)

(1) Group's 50% share

(2) Includes production from secondary leaching

Transport Division

Total transport volumes in 2023 were in line with 2022, maintaining the record volume set of 7.1 million tonnes in both years. In Q4 2023, transport volumes were 1.7 million tonnes, 5% lower than the previous quarter due to adverse weather conditions at the port and lower demand due to maintenance at a client's operation.

Within the Transport Division, the Company concluded on a total of seven 3-year labour agreements during the year, with no further negotiations until 2026.

TRANSPORT		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Rail	kt	5,381	5,368	0.2	1,333	1,374	(3.0)
Road	kt	1,729	1,741	(0.7)	398	453	(12.1)
Total tonnage transported		7,110	7,109	0.0	1,731	1,828	(5.3)

Commodity prices, exchange rates and other

		Year to Date			Q4	Q3	
		2023	2022	%	2023	2023	%
Copper							
Market price	\$/lb	3.85	4.00	(3.8)	3.70	3.79	(2.4)
Realised price	\$/lb	3.89	3.84	1.3	3.84	3.77	1.9
Gold							
Market price	\$/oz	1,942	1,800	7.9	1,974	1,929	2.3
Realised price	\$/oz	1,990	1,801	10.5	2,060	1,898	8.5
Molybdenum							
Market price	\$/lb	24.2	18.7	29.4	18.6	23.7	(21.5)
Realised price	\$/lb	22.0	20.8	5.8	13.1	25.3	(48.2)
Exchange rates							
Chilean peso	per \$	839	872	(3.8)	896	853	5.0

Spot commodity prices for copper, gold and molybdenum as at 31 December 2023 were \$3.84/lb, \$2,062/oz and \$20.0/lb respectively, compared with \$3.73/lb, \$1,871/oz and \$22.5/lb as at 30 September 2023 and \$3.80/lb, \$1,824/oz and \$31.8/lb as at 31 December 2022.

The provisional pricing adjustments for copper, gold and molybdenum for the quarter were positive \$58.3 million, positive \$5.3 million and negative \$46.8 million respectively.

The provisional pricing adjustments for copper, gold and molybdenum for the year to date were positive \$81.3 million, positive \$9.2 million and negative \$77.2 million respectively.

Depreciation, amortisation and loss on disposals

For the full year 2023, depreciation, amortisation and loss on disposals will be approximately \$1.25 billion.

Tax

The full year effective tax rate in 2023 is expected to be approximately 35%.

2024 Guidance

		Los Pelambres	Centinela	Antucoya	Zaldívar	Group
Production						
Copper	kt	335 - 350	225 - 240	75 - 80	35 - 40	670 - 710
Gold	koz	45 - 55	150 - 160			195 - 215
Molybdenum	kt	8.5 - 9.5	2.5 - 3.0			11.0 - 12.5
Grade						
Copper	%	0.56	0.54	0.34	0.66	-
Cash costs						
Cash costs before by-product credits ⁽¹⁾	\$/lb	2.05	2.30	2.50	2.95	2.25
Net cash costs ^(1, 2)	\$/lb	1.35	1.45	2.50	2.95	1.60

(1) Assumed CLP/USD exchange rate of 850.

(2) Includes by-product credits at a gold price of \$1,900/oz and a molybdenum price of \$18/lb.

As previously announced, Group production in 2024 is expected to be 670-710,000 tonnes of copper. Output of by-products is expected to be 195-215,000 ounces of gold and 11.0-12.5 tonnes of molybdenum. The expected increase in copper production in 2024 principally reflects the addition of the Los Pelambres Phase 1 Expansion Project in 2023, with increased water availability and ore processing capacity expected in 2024.

Group cash costs in 2024 before by-product credits are expected to be \$2.25/lb, in line with 2023, with the positive impact of higher production balanced by a short-term reduction in ore grades at Los Pelambres.

Group net cash costs in 2024 are expected to be \$1.60/lb, with by-product credits expected to remain in line year-on-year.

In 2024, consolidated Group capital expenditure, which excludes Zaldívar, is expected to be \$2.7 billion, as sustaining and mine development expenditure broadly in line year-on-year, and as development expenditure commences on the Centinela Second Concentrator (not including any potential reduction in capital expenditures as a result of the process to outsource Centinela's water supply) and other growth projects at Los Pelambres and Centinela.

Cautionary Statement

This announcement contains certain forward-looking statements. All statements other than historical facts are forward-looking statements. Examples of forward-looking statements include, without limitation, 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, performance or achievements could differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements, which apply only as at the date of this report. These forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Important factors that could cause actual results, performance or achievements to differ from those in the forward-looking statements include, but are not limited to: natural events, global economic and financial conditions (which may affect our business, results of operations or financial condition); various political, economic, legal, regulatory, social and other risks and uncertainties across jurisdictions in which the Group operates; changes to mining concessions or the imposition of new mining royalties, or changes to existing mining royalties in the jurisdictions in which the Group operates; the Group's ability to comply with the extensive body of regulations governing the mining industry, as well as the need to manage relationships with local communities; the ongoing effects of the global COVID-19 pandemic; 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; risks, hazards and/or events and conditions inherent to the mining industry, which may affect our operations or facilities; employee relations; climate change as well as the effects of extreme weather conditions; the outcome of any litigation arbitration, regulatory or administrative proceedings to which the Group is and may be subject in the future; and actions and activities of governmental authorities, including changes to 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.

No statement in this announcement is intended as a profit forecast or estimate for any period. No statement in this announcement should be interpreted to indicate a particular level of profit and, as a consequence, it should not be possible to derive a profit figure for any future period from this report.