ANTOFAGASTA PLC

NEWS RELEASE, 20 FEBRUARY 2024

FULL-YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

STRONG PERFORMANCE WITH HIGHER YEAR-ON-YEAR EBITDA AND FINAL DIVIDEND OF 24.3 CENTS PER SHARE

Antofagasta plc CEO Iván Arriagada said: *"Antofagasta delivered strong performance in 2023 including a 5% increase in EBITDA[1] and an 11% increase in cash flow from operations. Our cost and competitiveness programme continues to deliver results, generating cost benefits of $135 million during the year, the equivalent of a 9c/lb savings on the Company's cash cost base.*

"With a strong balance sheet, the Company is well positioned as it enters a new phase of growth. This next growth stage includes continuing the development of the future of Los Pelambres following completion of the Los Pelambres Phase 1 Expansion and initiating the construction of the Centinela Second Concentrator project.

"Across our operations, we have achieved a record year of safety performance and we have made progress on increasing the number of female employees to 23.6% of our workforce as of the end of 2023. Our efforts to decarbonise our business over the year achieved a number of key milestones, namely the publication of our inaugural Scope 3 emissions estimate and detailed studies that enabled us to publish our updated emissions reduction targets.

"Copper prices in 2023 showed reduced volatility, with prices displaying a high degree of stability in the second half of the year. Over the medium to long-term, we continue to believe in copper's fundamental role in the energy transition, helping to decarbonise the global economy.

"The outlook for the Company and its shareholders is positive – we have a solid pipeline of copper growth projects, a strong balance sheet, a focus on costs that will underpin the delivery of those projects and long-standing relationships with local communities. The strength of the business has allowed us to reaffirm our commitment to our dividend policy, and with this in mind, the Board has recommended a final dividend of 24.3 cents, equivalent to a total payout ratio of 50% for the year – reflecting our confidence in the future prospects of our business."

YEAR ENDING 31 DECEMBER		2023	2022	%[(4)]
Revenue	$m	6,324.5	5,862.0	7.9
EBITDA[(1)]	$m	3,087.2	2,929.7	5.4
EBITDA margin[(1, 2)]	%	48.8%	50.0%	-1pp
Underlying earnings per share[(1)] (continuing operations excluding exceptional items)	cents	72.0	59.7	20.6
Profit before tax (including exceptional items)	$m	1,965.5	2,558.9	(23.2)[(5)]
Earnings per share (continuing operations including exceptional items)	cents	84.7	155.5	(45.5)[(5)]
Dividend per share	cents	36.0	59.7	(39.7)
Cash flow from continuing operations	$m	3,027.1	2,738.3	10.5
Capital expenditure[(3)]	$m	2,129.2	1,879.2	13.3
Net debt at year end[(1)]	$m	1,159.8	885.8	30.9
Average realised copper price	$/lb	3.89	3.84	1.3
Copper sales	kt	667.2	642.5	3.8
Gold sales	koz	204.9	174.7	17.3
Molybdenum sales	kt	11.1	9.2	20.6
Cash costs before by-product credits[(1)]	$/lb	2.31	2.19	5.5
Net cash costs[(1)]	$/lb	1.61	1.61	-

Table notes: The financial results are unaudited and prepared in accordance with UK-adopted International Accounting Standards, unless otherwise noted below.

(1) Alternative performance measures as detailed on page 65 of this Full-year results announcement.

(2) Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 46.1% in 2023 and 46.7% in 2022.

(3) On a cash basis.

(4) Figures shown are percentages unless stated otherwise.

(5) Year-on-year decrease relates to the recognition of Reko Diq proceeds in 2022; see page 10 for more information.

[1] Alternative performance measures as detailed on page 65 of this Full-year results announcement.

FULL YEAR 2023 HIGHLIGHTS

Financial performance

- **Revenue for the full year was $6,325 million,** 8% higher than in 2022 reflecting an increase in sales of both copper and by-products, in addition to higher pricing for copper and by-products.
- **EBITDA[2] was 5% higher at $3,087 million** compared with 2022, driven by increases in both sales and pricing, partially offset by a rise in cash costs.
- **EBITDA margin[3] decreased to 48.8%** from 50.0% in 2022.
- **Cost and Competitiveness Programme (CCP) generated benefits of $135 million in 2023** (2022: $124 million), comprising $107 million of cost savings and $28 million of productivity improvements. A target for the CCP has been set at $200 million in 2024, which is expected to help the Company to maintain cash costs in line year-on-year.
- **Profit before tax excluding exceptional items increased by 11% to $1,798 million**, as a result of increases in both sales and pricing, partially offset by a rise in cash costs.
- **Profit before tax including exceptional items decreased by 23% to $1,966 million**, with this year-on-year movement principally related to the recognition in 2022 of an exceptional gain relating to the disposal of the Reko Diq project.
- **Cash flow from operations was $3,027 million,** 11% higher than in 2022 primarily as a result of the Company's higher EBITDA during the year, and a minor positive variance in working capital movements in 2023.
- **Low net debt to EBITDA ratio maintained, with a year-end 2023 figure of 0.38x (2022: 0.30x).** Net debt was $1,160 million at the end of the period compared with net debt of $886 million as of 12 months previously.
- **Capital expenditure of $2,129 million[4] in 2023,** compared with $1,879 million in 2022, reflecting the Los Pelambres Phase 1 Expansion, construction of which was completed during the year, and mine development work at Centinela.
- **Underlying earnings per share from continuing operations and excluding exceptional items[2] of 72.0 cents,** representing a 21% increase year-on-year (2022: 59.7 cents).
- **Earnings per share from continuing operations including exceptional items were 84.7 cents**, 46% lower than in 2022, which primarily relates to the recognition in 2022 of an exceptional gain relating to the disposal of the Reko Diq project.
- **A recommended final dividend of 24.3 cents per share,** in line with the Company's dividend policy of distributing at least 35% of earnings. The proposed final dividend is subject to approval by shareholders at the Company's AGM in May 2024, and if approved, would bring the total dividend for the year to 36.0 cents per share (50% of underlying earnings per share).

Operating performance (as previously announced)

- The Group continues to prioritise the health and 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 0.63 representing a 25% reduction year-on-year. Recent safety highlights within the Group include the completion of more than 39 million hours worked 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: 2.1).
- 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.
- 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.

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[2] Alternative performance measures as detailed on page 65 of this Full-Year Results announcement.
[3] Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 46.1% in 2023 and 46.7% in 2022.
[4] On a cash basis.

- Cash costs before by-product credits in the 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 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.

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 11-12,500 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 with 2023.
- 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 with 2023, and as development expenditure commences on the Centinela Second Concentrator and on the other growth projects at Los Pelambres and Centinela. This figure does not reflect any potential reduction in capital expenditure as a result of the process to outsource Centinela's water supply.

Projects and capital expenditure[5]

- **Centinela Second Concentrator:** The approval of the Centinela Second Concentrator Project was announced in December 2023, which is an investment of $4.4 billion that we expect to add 170,000 tonnes of copper-equivalent production[6] to the Company's portfolio, with a long-term financing package designed to mirror this project's long-term returns. Critical path works began immediately following the project's announcement, with full construction (covering 2024-2027) to commence after the execution of definitive project finance documents by the end of Q1 2024.

  If the Company elects to proceed with the outsourcing of Centinela's water assets, an estimated amount of $600 million in cash will be received for the divestment of the existing water infrastructure, and the project cost will reduce by approximately $400 million, considering that the investment required to expand the existing water system to supply the Second Concentrator will be undertaken by a third party. Further details are provided in the Company's announcement dated 20 December 2023.
- **Encuentro mine development:** The second concentrator will initially source ore from the recently opened Esperanza Sur pit and later from the Encuentro pit. Details relating to the mine development of the Encuentro pit are provided on page 16 of this report. As announced in December, this project requires an additional investment of $1 billion over a period of 3-4 years from 2025 and will further enable Centinela to achieve the development potential of its extensive mineral resource base.
- **Los Pelambres desalination plant increase (800l/s):** This project includes the doubling of capacity from the current 400 litres per second (l/s) and a new 62 kilometre section of pipeline between the El Mauro tailings dam and the Los Pelambres processing plant, which was not required for the first phase of the desalination plant but is required for this phase. Expansion of the desalination plant to 800l/s would substantially remove Los Pelambres' need to extract water from continental sources, and therefore enable the Company to achieve its ambition of 90% of water use coming from seawater or recirculated sources. The estimated capital cost of this project is $1.0 billion, spread over four years. Construction is expected to start in 2024 and to be completed in 2027, with the majority of work expected in 2025-2026.
- **Los Pelambres concentrate pipeline and El Mauro enclosures:** As previously disclosed, the Company intends to replace the existing concentrate pipeline and build certain planned enclosures at the El Mauro tailings

[5] All figures 100% basis, including Aplc and minority shareholders. Figures do not include Zaldívar.
[6] Production average over an initial 10-year period

storage facility. These works will require expenditure of approximately $1.0 billion over the period of 2024-2027.

- In addition to the aforementioned projects, we expect that capital expenditures on sustaining and mine development activities will be in the range of approximately $1.0-1.5 billion per annum until completion of the Second Concentrator Project.
- Based on the aforementioned projects, total capital expenditure in 2025 is expected to be in the range of $3.5-3.9 billion, subject to adjustments related to inflation, cost escalation and detailed engineering studies. Capital expenditures in 2026 are expected to decline year-on-year, before decreasing further from 2027 as projects are successfully delivered. The figures provided here are for illustrative purposes, and the Company will continue to formally confirm guidance for annual capital expenditures in its usual manner.

Sustainability

- Development of a decarbonisation strategy during 2023, and through this work, the Company has been able to publish updated emissions reduction targets – including a 50% reduction in Scope 1 and 2 emissions[7] by 2035, which has been set on an absolute basis, and considers the Company's planned increase in production during this time. The Company has also announced its inaugural Scope 3 emissions target, which is to target a 10% reduction of this category of emissions (projected basis) by 2030.
- At Los Pelambres, following construction of the Company's desalination plant, sea water withdrawals represented approximately one third of total withdrawals in 2023 (2022: zero) as this facility began its ramp up during the year. The Company intends to double capacity of this facility to 800l/s to achieve a level of 90% of water use across the Group from seawater sources or recirculated water. The Environmental Impact Assessment (EIA) for this project was approved by the authorities in Chile in late 2023.
- We continue to advance the level of gender diversity in our workforce, with the proportion of women rising to 23.6% in 2023 (2022: 20.4%).

Legislative (as previously announced)

- In May 2023, the Chilean Senate and the lower house of Congress approved the proposed revision to Chile's mining royalty bill and Presidential approval was confirmed in August. Further details are provided in the Company's half-year results for 2023.
- 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.

Corporate update

- In November 2023, the 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.
- The Company announced in December 2023 that it had entered into transactions in the secondary market 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. This investment is in line with the Company's strategy of prioritising exploration and investment in the Americas. The Company currently holds 18.2 million shares of Buenaventura, representing the equivalent of approximately 7% of Buenaventura's issued share capital, and has an agreement in place to acquire up to an additional 30 million shares, representing approximately an additional 12% of Buenaventura's issued share capital. Further information is provided in Note 3 of the Accounts.
- In early 2024, the Company received notification that its Declaration of Environmental Impact (DIA) for the application to align the mining and water permits at Zaldívar had been approved.
- Total mineral resources increased by 345 million tonnes during the year, predominantly related to work conducted at Los Pelambres.

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[7] Scope 1 and 2 emissions on a combined basis, against a baseline year of 2020.

- 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 applying this technology across other mining operations, including for third parties.
- On 31 January 2024, during regular cleaning activities prior to scheduled maintenance of the concentrate pipeline that connects the processing plant at Los Pelambres to the Company's port at Los Vilos, concentrate material was detected that was stopping the normal transit of concentrate. This material has now been successfully cleared, with filtering of concentrates at the Company's port facilities expected to resume in the coming days. Mining and processing operations at Los Pelambres continued to operate unaffected throughout this process, with concentrates being stockpiled at the processing plant in pre-existing stockpile locations, with sufficient storage capacity to maintain operational continuity. As a result of the delay to deliveries to the Company's port, a portion of the Company's concentrate filtered production and sales from Q1 2024, estimated to be approximately 20,000 tonnes of payable copper, will be rescheduled throughout the rest of the year. The Company confirms that guidance for 2024 remains unaffected.

Full-Year Results Presentation and Call

A copy of the 2023 full-year results presentation is available for download from the Company's website (www.antofagasta.co.uk).

There will be a presentation and Q&A at 9:00am (UK) today, which will be hosted by Iván Arriagada - Chief Executive Officer, Mauricio Ortiz - Chief Financial Officer and René Aguilar, Vice President - Corporate Affairs and Sustainability. Attendance can be in-person or virtual. Further details can be found here.

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FINANCIAL AND OPERATING REVIEW

2023 FINANCIAL HIGHLIGHTS

Revenue in 2023 was $6,325 million, 8% higher than in 2022, reflecting higher sales volumes for both copper and by-products, in addition to higher pricing.

EBITDA was $3,087 million, representing a 5% increase year-on-year.

Profit before tax (excluding exceptional items) increased by 11% to $1,798 million, as a result of increases in both sales and pricing, partially offset by a rise in cash costs.

Profit before tax (including exceptional items) was $1,966 million, 23% lower than in 2022, principally reflecting the recognition of an exceptional gain in 2022 related to the sale of the Company's interest in the Reko Diq project.

Earnings per share from continuing operations (excluding exceptional items) for the year were 72.0 cents, a year-on-year increase of 21% compared with 2022.

Earnings per share from continuing operations (including exceptional items) for the year were 84.7 cents, a year-on-year decrease of 46% compared with 2022, reflecting the recognition of an exceptional gain in 2022 related to the sale of the Company's interest in the Reko Diq project.

Cash flow from continuing operations was $3,027 million, an 11% increase compared with 2022, which principally relates to higher EBITDA.

SUSTAINABILITY

Safety and health

The Group continues to prioritise the health and safety of its workforce, achieving a strong performance in safety metrics during 2023, with no fatalities during the year (2022: zero). The Group's lost time injury frequency rate (LTIFR) decreased to 0.63, representing a 25% 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: 2.1).

Communities

Creating shared social value is key to the success of our business and is central to our strategy. The Company aims to contribute to social and economic development in the local communities in which it operates through proactive engagement based on trust, transparency, respect and acknowledgment of diversity, and in collaboration with our communities, local organisations and authorities.

In 2023, as part of its strategy relating to social engagement, the Company developed its community relations programme for 2024 at Los Pelambres and across the Group's four operations in the Antofagasta Region. This complies with the standards we defined as a Group for the further development of a productive relationship with the neighbouring communities.

In 2023, in the Choapa Region where Los Pelambres is located, the Company expanded its efforts through the APRoxima and Confluye programmes to ensure continuous availability of water for human consumption and irrigation in the severely drought-hit local area. Confluye is a programme that works to promote projects with the Water Users' Boards of towns and other public services in Choapa. During 2023, the programme supported the improvement of 14 kilometres of irrigation canals that ensure the availability of over 13,000m^3 of water, benefitting local farmers.

During 2023, we carried out impact evaluations for the APRoxima programme (water for human consumption in Choapa) and the Los Pelambres scholarship programme. At our operations in the north of Chile, we measured our processes related to community engagement, evaluating the Dialogues for Development (Diálogos para el Desarrollo, the main mechanism for dialogue and participation) programme in the towns of María Elena and Sierra Gorda. A total of 18 programmes were assessed, and in each instance, a net positive social return on investment (SROI) was recorded. In addition, further improvement plans have been developed for each programme that will allow us to monitor and continuously improve the initiatives deployed in each local area.

The "En Red – Digital Community" programme consists of a number of initiatives and aims to address the digital infrastructure and skills deficit in rural and vulnerable communities in the vicinity of our operations. In 2023, efforts were focussed on improving management of the 80 Rural Sanitary Services (RSSs) in the Choapa province with an integrated approach as part of a common water basin, with over 50,000 local residents benefitting. As part of this scheme, 115 RSS operators were provided with training and 80 tablets were distributed to assist with data collection and management, covering 95% of systems in the programme.

Diversity and inclusion

The Company has three key focus areas in diversity and inclusion (D&I), noting the importance of D&I in fostering an engaged and effective workforce. These focus areas cover the development of: (1) gender diversity – aiming to foster balanced, bias-free teams where talents are made visible; (2) people with disabilities, creating working environments that provide equal opportunities for all; and (3) global profiles and interculturality, with inclusive environments regardless of origin, ethnicity, and nationality.

In respect of gender diversity, the Company has continued to improve its gender balance within its workforce, achieving a level of 23.6% of its employee workforce being female in 2023 (2022: 20.4%), with over 350 women hired into a range of roles during the year. The Company has set a gender diversity goal at 30% by 2025.

Efforts to progress the gender mix in the Company's workforce are centred on mentoring programmes, training to attract women into leadership roles and workshops to promote respectful environments. Furthermore, the Company's efforts to increase gender balance are not limited to its workforce, with 45% of the positions on the Board of Directors held by women as of the end of January 2024.

In 2023, people with disabilities accounted for more than 1% of employees, which exceeds the government mandated minimum level of 1% under Chile's Workplace Inclusion Law. As part of our efforts to promote respectful environments, we hosted 1,500 participants at internal workshops on respectful and inclusive work environments and practices during 2023.

Emission targets

Through innovation, planning and resilience, the Company is transforming its production processes and managing risks associated with climate change and have proactively adopted measures to mitigate the carbon footprint of its operations. Having successfully achieved the Company's targeted emissions reduction in 2022, delivering a reduction of more than 30% in a single year[8], efforts in 2023 centred on publishing an inaugural assessment of Scope 3 emissions and updating the Company's detailed decarbonisation pathway, and as a result of this work, the Company was able to publish its updated emissions targets in early 2024.

Following the publication of Scope 3 emissions as part of the Company's Second Climate Change Report in 2023, which is available on the Company's website (www.antofagasta.co.uk) new emissions reduction targets have been set. A 50% reduction in the absolute amount of Scope 1 and 2 emissions (combined basis) by 2035 has been set against a baseline year of 2020, which incorporates modelling of the Company's planned expansion in production during this time. A Scope 3 target has been set at a 10% reduction in emissions by 2030 on a projected basis, which the Company aims to achieve through a focus on active engagement with its suppliers, since purchases of goods and services remains the most significant single category of Scope 3 emissions (representing more than 50% in 2023).

The Company has developed a decarbonisation strategy that details the diverse range of activities being tested and deployed to reduce the Company's emissions footprint, with a key focus on reducing diesel consumption in the Company's fleet of haul trucks (representing approximately 60% of Scope 1 emissions). Scope 2 emissions have already been materially reduced from the baseline year of 2020 following agreements for renewable power supply to all of the Company's mining operations.

Finally, the Company maintains its long-term emissions target of achieving carbon neutral production by 2050, with the recently announced medium-term targets representing key milestones in progressing towards this goal.

[8] Scope 1 and 2 emissions combined, unit basis.

Water

Managing water consumption has long been at the forefront of the Company's strategy. Three of the Company's four mining operations are in the Antofagasta Region of northern Chile, where the Atacama Desert is located. The fourth, Los Pelambres, is in an area that has been suffering a severe drought for the past 14 years, which, according to various climate scenarios, is expected to continue. Consistent with our Climate Change Strategy, our operations are reducing their dependence on continental water sources through improved water use efficiency and the increased use of sea water as an overall proportion of our water consumption.

Centinela stopped extracting continental water in 2022 and, on completion of the planned expansion of the desalination plant at Los Pelambres, the Company expects that seawater and recirculated water will account for over 90% of the Mining Division's operational water use.

Considering the ongoing drought in central Chile and the recent legislative changes in Chile to the Water Code, discussions have continued during the year 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.

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 is proposed to follow a transition period during which the current continental water extraction permit is extended from 2025 to 2028.

In early 2024, approval was received from the authorities for the separate DIA (Declaration of Environmental Impact) to extend the mining permit and, therefore, align the water and mining permits at Zaldívar. This approval ensures that this operation has rights to mine ore and extract water until 2025. The mine life after 2025 is, therefore, subject to the approval of the EIA.

As previously reported, the Company (as well as other named defendants) submitted a response contradicting the allegations made by the Consejo de Defensa del Estado (CDE), an independent governmental agency that represents the interests of the Chilean state, who previously filed a claim against Minera Escondida, Albemarle and Zaldívar, alleging that their extraction of water from the Monturaqui-Negrillar-Tilopozo aquifer over the years has impacted the underground water level. The litigation remains outstanding, and the relevant parties are continuing discussions regarding a potential settlement.

PRODUCTION AND CASH COSTS (AS PREVIOUSLY ANNOUNCED)

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.

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.

The Transport division transported a record 7.1 million tonnes during 2023, marginally ahead of the record set in 2022.

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 several 3-year labour agreements. 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.

COST AND COMPETITIVENESS PROGRAMME

The Group's Cost and Competitiveness Programme achieved more than double its target of $42 million, yielding benefits of $135 million. This total comprised $107 million from cost savings, and $28 million from productivity improvements. The Cost and Competitiveness Programme in 2023 included initiatives to reduce cash expenditures through optimising and negotiating third party services, as well as increasing productivity in terms of greater throughputs and recoveries.

The target for the Cost and Competitiveness Programme in 2024 has been set at $200 million, which would contribute significantly to the Company delivering in line net cash costs on a year-on-year basis.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs increased by $28 million to $141 million, with this increase reflecting geotechnical drilling at Centinela and evaluation work at Los Pelambres. Overall expenditures across the Company's exploration projects remained in line year-on-year.

NET FINANCE EXPENSE

Net finance income (before exceptional items) for the year was $29 million compared with a net finance expense of $68 million in 2022, primarily related to increased interest rates on cash balances and a negative impact in 2022 related to foreign exchange.

TAXATION

The effective tax rate for the period was 34.7% before exceptional items and 33.9% after exceptional items, which compares with 37.4% and 23.6% respectively in 2022.

The income tax expense for the year excluding exceptional items was $624 million, an increase of 3% as a result of higher profits before tax. Income tax paid during the year was $528 million compared with $787 million in 2022.

EXCEPTIONAL ITEMS

The Group has recognised an exceptional fair value gain of $167.1 million (post-tax impact of $125.3 million) in respect of an agreement under which it is expected to acquire up to an additional 30 million shares in Compañia de Minas Buenaventura S.A.A.

In 2022, the Group recognised an exceptional gain of $944.7 million in respect of its disposal of its interest in the Reko Diq project in Pakistan.

CAPITAL EXPENDITURE AND DEPRECIATION & AMORTISATION

Total capital expenditure in 2023 was $2,129 million (2022: $1,879 million), including $756 million of sustaining capital expenditure, $793 million of mine development activities and $581 million of growth expenditure. This overall increase of $250 million principally reflects additional mine development and sustaining capital expenditures at Centinela, in addition to growth investments at Antucoya. Further information is included in the Review of Operations below.

Depreciation, amortisation and loss on disposals increased by $70 million to $1.21 billion (2022: $1.14 billion).

NET DEBT

Net debt at the end of the period was $1,160 million (2022: $886 million), reflecting an increase of $802 million in total borrowings and a $528 million increase in total cash balances and liquid investment balances.

The Company maintains a prudent balance sheet and the Net Debt to EBITDA ratio at the end of the year was 0.38x (2022: 0.30x). Cash flow from operations in 2023 increased by 11% to $3,027 million (2022: $2,738 million).

DIVIDENDS

The Board has recommended a final dividend for 2023 of 24.3 cents per share, to be approved by shareholders at the AGM which, together with the interim dividend of 11.7 cents per share, amounts to a total dividend of 36.0 cents per share. This is equal to a 50% pay-out ratio of underlying net earnings and is consistent with the Company's dividend policy.

MINING ROYALTY IN CHILE

In May 2023, both the Chilean Senate and lower house of Congress approved the proposed revision to Chile's mining royalty bill, with Presidential approval confirmed in August 2023. The terms include a 1% ad valorem royalty on copper sales, and a royalty ranging from 8% to 26% on operating profits depending on each mining operation's level of profitability, combined with a provision establishing that total taxation (including corporate income, the new royalty tax and tax on dividends) should not exceed 46.5% of profitability. This new law will come into effect at the beginning of 2024. Since Centinela and Antucoya have tax stability agreements, the new royalty rates will only apply at these operations from 2030. As a result of the approval of the new mining royalty, a one-off adjustment has been recognized to the deferred tax balances of the Group's mining operations, resulting in an increase in the deferred tax liability balance of $34.3 million, with a corresponding deferred tax expense.

CHILEAN CONSTITUTIONAL CONVENTION

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.

MINERAL RESOURCES

The Group's total mineral resources increased by 345 million tonnes during 2023 to 21.0 billion tonnes, containing approximately 14.3 billion tonnes on an attributable basis.

CUPROCHLOR-T®

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.

REKO DIQ PROJECT

Funds relating to the sale of the Company's interest in the Reko Diq project in Pakistan were received in 2023, amounting to $945 million. This follows the recognition of an exceptional gain in the 2022 accounts relating to the agreement signed to sell the Company's interest in Reko Diq during that year.

INVESTMENTS

The Company announced in December 2023 that it had entered into transactions in the secondary market 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. This investment is in line with the Company's strategy of prioritising exploration and investment in the Americas. The Company currently holds 18.2 million shares of Buenaventura, representing the equivalent of approximately 7% of Buenaventura's issued share capital, and has an agreement in place to acquire up to an additional 30 million shares, representing approximately an additional 12% of Buenaventura's issued share capital. Further information is provided in Note 3 of the Accounts.

FUTURE GROWTH

The Group has a pipeline of growth projects to develop its significant mineral resource base which it is currently advancing through a disciplined process of project evaluation.

The Company announced in late 2023 that the Centinela Second Concentrator had received approval and full construction will commence following the execution of definitive finance documents, which is expected to take place in Q1 2024. The Centinela Second Concentrator is a brownfields expansion that will add an additional 170,000 tonnes of copper-equivalent production[9] and will move the Centinela District towards the first quartile on the global cost curve.

In addition, the Company continues to advance studies into the next phase of growth at Los Pelambres, and further details of this project and the wider pipeline of projects are provided on page 15 of this report.

COPPER MARKET

Following market tightness in early 2023, when copper prices rose by 12% in January to a peak of $4.23 per pound, prices gradually trended down to $3.80/lb as of the end of the year. This downwards trend was largely seen in H1 2023. A degree of stability was seen in H2 2023, with more than 50% of the daily closing prices seen in H2 2023 sitting between $3.60/lb and $3.80/lb.

[9] Figures represent the average over an initial 10-year period.

Over the course of the year, the average market copper price was 4% lower year-on-year at $3.85/lb, with a minimum price of $3.55/lb (2022 minimum: $3.25/lb) and a maximum price of $4.23/lb (2022 maximum: $4.85/lb)

Prices in 2023 reflected a significantly lower level of volatility than in 2022. Whilst macro-economic factors saw a decline in global demand during 2023, supply-side disruption and guidance cuts have helped to balance the market.

Copper prices in 2024 will depend on a range of factors, including growth rates in the Chinese economy, in particular the continued stabilisation of the property sector, as well as the outlook for recently disrupted mine supply and global copper inventories.

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 11-12,500 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, with sustaining and mine development expenditure broadly in line year-on-year, and as development expenditure commences on the Centinela Second Concentrator and other growth projects at Los Pelambres and Centinela. Forecast capital expenditure in respect of the Centinela Second Concentrator does not include any potential reduction in capital expenditure as a result of the process to outsource Centinela’s water supply.

REVIEW OF OPERATIONS

LOS PELAMBRES

2023 Performance

Operating performance

Production at Los Pelambres increased in 2023 as a result of increased water availability following the completion of construction of the Company's desalination plant during the year, and subsequent ramp up.

EBITDA was $1,725 million, compared with $1,473 million in 2022, reflecting higher production and sales volumes, and higher realised prices for copper and by-products.

Production

Copper production for 2023 was 300,300 tonnes, 9% higher than the prior year. This was driven by increased throughput rates in 2023, which resulted from increasing availability of water from the Company's desalination plant as it successfully progresses its ramp up, and additional ore processing capacity provided by the fourth concentrator line. Molybdenum production in 2023 was 8,100 tonnes, representing a 13% increase year-on-year, which was the result of higher throughput rates. Gold production in 2023 rose by 0.5%, reflecting a balance of lower gold grades and higher ore processing rates.

Costs

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 were $1.14/lb for the full year, 4% higher than in 2022, reflecting a similar increase in the underlying cash costs and higher production and pricing for molybdenum.

Capital expenditure

Capital expenditure was $897 million, including $193 million of mine development, $361 million of sustaining capital expenditure and $344 million of development capital expenditure.

Outlook for 2024

The forecast production for 2024 is 335–350,000 tonnes of copper, 8,500–9,500 tonnes of molybdenum and 45–55,000 ounces of gold. Higher production is expected due to higher throughput, with increased water availability and ore processing capacity with the Los Pelambres Phase 1 Expansion ramping up.

Cash costs before by-product credits are forecast to be approximately $2.05/lb and net cash costs $1.35/lb, reflecting higher production, offset by lower expected grades.

CENTINELA

2023 Performance

Operating performance

Ore throughput remained consistent in 2023 with levels seen in the previous year, with operations maintaining a strong level of operational performance in line with the plant's design capacity for the entire year. Higher production at Centinela Concentrates, driven by improved ore grade, was counterbalanced by lower ore grades at Centinela Cathodes.

EBITDA at Centinela was $1,219 million in 2023, compared with $1,157 million in 2022, on higher copper, molybdenum and gold sales volumes and higher molybdenum and gold realised prices partially offset by higher unit costs.

Production

In 2023, copper production was 242,000 tonnes, 2% lower than last year. This reduction in output reflects lower ore grades at Centinela Cathodes, which was partially offset by higher ore grades at Centinela Concentrates.

Production of copper in concentrate 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. Copper cathode production was 79,300 tonnes, 19% lower than in 2022 due to lower copper grades, offset by higher throughput rates. Gold production during the year was 165,800 ounces, 24% higher than in 2022 due to higher gold grades (which are positively correlated to copper grades). Molybdenum production in 2023 reached 2,900 tonnes – a record for Centinela, with this year-on-year increase of 21% reflecting higher molybdenum recoveries during the year.

Costs

Cash costs before by-product credits in 2023 were $2.57/lb, 5.3% higher than in 2022 due to lower copper production, the conclusion of 3-year labour agreements and higher contractor costs related to mining.

By-product credits were $0.94/lb, 25c/lb higher than in 2022 due to higher production and pricing of both gold and molybdenum.

During the full year, net cash costs were $1.63/lb, 12c/lb lower than 2022 due to higher by-product credits.

Capital expenditure

Capital expenditure was $1,041 million, including $569 million of mine development, $306 million of sustaining capital expenditure and $166 million of development capital expenditure.

Outlook for 2024

Production is forecast at 225–240,000 tonnes of copper, 150–160,000 ounces of gold and 2.5–3,000 tonnes of molybdenum. Copper production is expected to decrease compared with 2023 as a result of lower grades at Centinela Concentrates during the year.

Cash costs before by-product credits are forecast to be approximately $2.30/lb and net cash costs of $1.45/lb.

ANTUCOYA

2023 Performance

Operating performance

Antucoya continues to operate in line with its design throughput, sustaining the consistent performance and improved reliability that was achieved in the previous period.

EBITDA was $215 million in 2023, compared with $261 million in 2022, reflecting higher operating costs and the lower realised copper price.

Production

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.

Costs

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.

Capital expenditure

Capital expenditure was $122 million, including $88 million on sustaining capital expenditure.

Outlook for 2024

Production is forecast to be 75–80,000 tonnes of copper and cash costs are expected to be approximately $2.50/lb.

ZALDÍVAR

2023 Performance

Operating performance

During the year, a range of operational initiatives continued to be implemented, in light of the operational challenges faced in 2022, with an improvement in copper recoveries seen during 2023 as a result. The Company's operating teams are implementing an operational improvement programme aimed at increasing productivity and throughput rates at Zaldívar, given throughput levels were lower than expected in 2023, which are expected to lower cash costs over time.

Attributable EBITDA was $87 million compared with $147 million in 2022.

Production

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.

Costs

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.

Capital expenditure

Attributable capital expenditure in 2023 was $46 million, of which $34 million was sustaining capital expenditure.

Outlook for 2024

Attributable copper production is forecast to be 35–40,000 tonnes at a cash cost of approximately $2.95/lb.

TRANSPORT DIVISION

2023 Performance

Operating performance

The Transportation Division has continued to refine its operational activities through the implementation of its management model, based on five fundamental pillars: operational excellence, growth, transformation, community, and urban development.

Total transportation volumes in 2023 remained consistent with those of 2022, with the 7.1 million tonnes of transported material marginally ahead of the record set in 2022. EBITDA reached $81.5 million, a 2% increase versus 2022, primarily due to improvements in the pricing of some contracts.

Costs

The division has implemented various operational efficiency improvements, optimising costs to ensure long-term competitiveness with a continuation of the Transport Division's Cost and Competitiveness Programme. Through this, achieving significant improvements in cost structure, revenue flow, and operational standards were achieved, with cumulative benefits of approximately $6.6 million over the year.

Outlook for 2024

In 2024, the division intends to maintain progress made in 2023, when a number of contracts were either awarded or renewed. Looking ahead, the division has a robust portfolio of projects that we expect will facilitate an increase in bulk material transportation volumes.

Concurrently, the division continues to advance its strategy to transform its lands, located in the centre of Antofagasta city, from industrial to urban use. Remediation works began at the end of 2023, marking a significant milestone in this development process. Another important milestone for 2024 is the arrival of the first hydrogen locomotive, which will allow for a reduction in CO_2 emissions in the coming years.

GROWTH PROJECTS AND OPPORTUNITIES

Los Pelambres Expansion

Phase 1

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

As mining progresses at Los Pelambres, ore hardness will increase. The expansion aims to compensate for this, increasing plant throughput from its current capacity of 175,000 tonnes of ore per day to an average of 190,000 tonnes of ore per day. The Phase 1 Expansion was divided into two sub-projects: the construction of a desalination plant and water pipeline from the coast to the El Mauro tailings storage facility, and the expansion of the concentrator plant, which includes the installation of an additional SAG mill and ball mill and six additional flotation cells.

As of the end of 2023, the desalination plant and the water pipeline continued to successfully ramp up, with four million cubic metres delivered to the Company's operations at Los Pelambres. At the processing plant, mechanical completion of the concentrator plant expansion was successfully achieved in October 2023. As at year end, commissioning work is underway with results being consistently ahead of schedule and with two million tonnes of additional material processed.

Desalination plant expansion

The desalination plant expansion to 800l/s, which is part of the Los Pelambres water strategy, required a separate Environmental Impact Assessment (EIA).

This project is designed to protect Los Pelambres from the future impact of climate change and the deteriorating availability of water in the region. The project includes the expansion of the desalination plant and the construction of a new water pipeline from the El Mauro tailings storage facility to the concentrator plant. The project cost will be reported as part of the Group's sustaining capital expenditure. This project will start construction in early 2024, with the schedule envisaging completion of construction in 2027.

In 2021, Los Pelambres submitted the EIA required for this project, which includes the desalination plant expansion and two other sustaining capital infrastructure projects:

(1) The replacement of the concentrate pipeline. The new pipeline will follow the route taken by the existing water pipeline from the desalination plant to the mine. This revised route for the concentrate pipeline will avoid interactions with communities along the Choapa valley and is planned to be in operation from 2027; and

(2) Construction of certain planned enclosures at the El Mauro tailings storage facility.

The Company received approval of the EIA for the above projects in late 2023.

The sustaining capital infrastructure projects indicated above will commence construction in 2024, which will provide a platform for the Phase 2 projects that are outlined below.

Phase 2 – Mine life extension

The current mine life of Los Pelambres is limited by the capacity of the El Mauro tailings storage facility, with sufficient storage capacity for a further 12 years. This project will require an EIA, with a scope that will include increasing the capacity of the El Mauro tailings storage facility, additional storage capacity for mine waste at Los Pelambres and any water requirement for the enlarged capacity of this operation. This will extend the mine's life by a minimum of 15 additional years, accessing a larger portion of Los Pelambres' six billion tonnes of mineral resources. This EIA will also provide for the option to increase throughput to 205,000 tonnes of ore per day (from the current capacity of 190,000 tonnes of ore per day).

Key studies on tailings and waste storage capacity have advanced and community consultation is under way. The environmental and social studies associated with this project are being prepared, including the voluntary public consultation with communities and informative engagement with key authorities, which should be submitted to evaluation by the relevant authorities in Chile during 2024 as part of the EIA application.

Centinela Second Concentrator

After an extensive review, approval of the construction of the Centinela Second Concentrator Project was announced at the end of 2023. Following announcement, critical path works began immediately, with full construction expected to commence after the execution of definitive project finance documents during Q1 2024.

The project includes the construction of a second concentrator and tailings deposit, approximately 7 km from the existing concentrator, to take place in two phases. The EIA for both phases was approved by the authorities in 2016. Detailed engineering plans and costings were updated for Phase 1 of the project and key contracts finalised.

Following Phase 1, the capacity of the new concentrator will be 95,000 tonnes of ore per day, producing on average approximately 170,000 tonnes of copper equivalent (copper, gold and molybdenum) a year over the first ten years of operation. This is expected to move Centinela towards the first cost quartile of global producers.

The Phase 1 capital cost is $4.4 billion, including the cost of the new water supply system. The phasing of the project's capital expenditure is expected to be weighted towards 2025, with similar expenditures in adjacent years. The estimate includes a concentrator plant, capitalised stripping, mining equipment, a new tailings storage facility, a water pipeline and other infrastructure, pre-commercial production operating costs, and owner's and other costs.

Phase 2 is an optional growth step and the feasibility of this phase will be evaluated in the future, once Phase 1 is operating successfully.

The second concentrator will source ore initially from the recently opened Esperanza Sur pit and later also from the Encuentro pit. The sulphide ore in the Encuentro pit lies under the Encuentro Oxides reserves. Fully exposing the sulphide ore in the optimal sequence required to initiate feed to the second concentrator from the Encuentro Pit is expected to require separate investments in infrastructure, mining equipment and mine development activities, which will materially commence half-way through the construction phase of the second concentrator and will span a period of 3-4 years. As announced in December 2023, the combined investment in mine development and sustaining capital for the expansion of the Encuentro pit is estimated to be approximately $1 billion. This expansion in mining activities will further enable Centinela to achieve the development potential of its extensive mineral resource base.

Detailed terms and conditions have been substantially completed for the option to provide water for Centinela's current and future operations, with a third party potentially acquiring the existing water supply system and building the new water pipeline expansion. The planned outsourcing of the water supply will only proceed if it improves the net present value of the project, with the decision on this process scheduled alongside the execution of definitive project finance documents during Q1 2024.

Twin Metals Minnesota

Twin Metals Minnesota (Twin Metals) is a wholly owned copper, nickel, and platinum group metals (PGM) underground mining project, which holds copper, nickel/cobalt, and PGM deposits in north-eastern Minnesota, United States (US). The planned project is over a portion of the total resource and envisages mining and processing 18,000 tonnes of ore per day for 25 years to produce three separate concentrates – copper, nickel/cobalt and PGM. However, further development of the current project, as configured, is on hold whilst litigation takes place to challenge several actions taken by the US federal government to deter its development.

In 2022, Twin Metals filed a lawsuit in the US District Court for the District of Columbia (District Court) challenging the administrative actions resulting in the rejection of Twin Metals' preference right lease applications (PRLAs), the cancellation of its federal mining leases 1352 and 1353, the rejection of its Mine Plan of Operation (MPO), and the dismissal of the administrative appeal of the MPO rejection. Twin Metals claimed that the government's actions were arbitrary and capricious, contrary to the law, and in violation of its rights. In September 2023, following a motion to dismiss filed by the government, the District Court dismissed Twin Metals' claims. In November 2023, Twin Metals appealed the District Court's order to the US Court of Appeals for the District of Columbia Circuit. This action is pending.

FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2023

	Before exceptional items	Exceptional items	Year ended 31.12.2023 (Unaudited) Total	Before exceptional items	Exceptional Items	Year ended 31.12.2022 (Audited) Total
	$m	$m	$m	$m	$m	$m
Revenue	6,324.5	-	**6,324.5**	5,862.0	-	5,862.0
EBITDA (including share of EBITDA from associates and joint ventures)[10]	3,087.2	-	**3,087.2**	2,929.7	-	2,929.7
Total operating costs	(4,541.7)	-	**(4,541.7)**	(4,227.7)	-	(4,227.7)
Operating profit from subsidiaries	1,782.8	-	**1,782.8**	1,634.3	-	1,634.3
Net share of results from associates and joint ventures	(13.5)	-	**(13.5)**	48.1	-	48.1
Gain on disposal of investment in joint venture	-	-	**-**	-	944.7	944.7
Operating profit from subsidiaries, and share of total results from associates and joint ventures	1,769.3	-	**1,769.3**	1,682.4	944.7	2,627.1
Net finance income / (expense)	29.1	167.1	**196.2**	(68.2)	-	(68.2)
Profit before tax	1,798.4	167.1	**1,965.5**	1,614.2	944.7	2,558.9
Income tax expense	(624.3)	(41.8)	**(666.1)**	(603.6)	-	(603.6)
Profit from continuing operations	1,174.1	125.3	**1,299.4**	1,010.6	944.7	1,955.3
Profit for the year	1,174.1	125.3	**1,299.4**	1,010.6	944.7	1,955.3
Attributable to:						
Non-controlling interests	464.3	-	**464.3**	422.3	-	422.3
Profit attributable to the owners of the parent	709.8	125.3	**835.1**	588.3	944.7	1,533.0
Basic earnings per share	Cents	Cents	Cents	Cents	cents	Cents
From continuing operations	72.0	12.7	**84.7**	59.7	95.8	155.5

The profit for the financial year attributable to the owners of the parent (including exceptional items) decreased from $1,533.0 million in 2022 to $835.1 million in the current year. Excluding exceptional items, the profit attributable to the owners of the parent increased by $121.5 million to $709.8 million.

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

The full reconciliation of the profit attributable to the owners of the parent between 2022 and 2023, including exceptional items, is as follows:

	$m
Profit attributable to the owners of the parent in 2022	**1,533.0**
Less: exceptional items – 2022	**(944.7)**
Profit attributable to the owners of the parent in 2022 (excluding exceptional items)	**588.3**
Increase in revenue	462.5
Increase in total operating costs	(314.0)
Decrease in net share of results from associates and joint ventures (excluding exceptional items)	(61.6)
Decrease in net finance expenses (excluding exceptional items)	97.3
Increase in income tax expense (excluding exceptional items)	(20.7)
Increase in non-controlling interests	(42.0)
	121.5
Profit attributable to the owners of the parent in 2023 (excluding exceptional items)	**709.8**
Exceptional items – 2023 (post tax)	125.3
Profit attributable to the owners of the parent in 2023	**835.1**

Revenue

The $462.5 million increase in revenue from $5,862.0 million in 2022 to $6,324.5 million in the current year reflected the following factors:

	$m
Revenue in 2022	**5,862.0**
Increase in copper sales volumes	230.8
Increase in realised copper price	69.0
Increase in treatment and refining charges	(57.8)
Increase in gold revenue	93.1
Increase in molybdenum revenue	112.0
Increase in silver revenue	12.9
Increase in Transport division revenue	2.5
	462.5
Revenue in 2023	**6,324.5**

Revenue from the Mining division

Revenue from the Mining division increased by $460.0 million, or 8%, to $6,128.6 million, compared with $5,668.6 million in 2022. The increase reflected a $242.0 million increase in copper sales and a $218.0 million increase in by-product revenue.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales increased by $242.0 million, or 5%, to $5,147.4 million, compared with $4,905.4 million in 2022. The increase reflected the impact of $230.8 million from higher sales volumes and $69.0 million from higher realised prices, partly offset by $57.8 million due to the impact of higher treatment and refining charges on the prices invoiced.

(i) Copper volumes

Copper sales volumes reflected within revenue increased by 4.5% from 598,100 tonnes in 2022 to 625,300 tonnes in 2023, increasing revenue by $230.8 million. This increase was due to higher copper sales volumes at Los Pelambres (27,800 tonnes increase), reflecting higher throughput in the current year, which resulted from increasing availability of water from the operation'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.

(ii) Realised copper price

The average realised copper price increased by 1.3% to $3.89/lb in 2023 (2022 – $3.84/lb), resulting in a $69.0 million increase in revenue. The LME average market price decreased by 3.8% to $3.85/lb in 2023 (2022 - $4.00/lb). In 2023, there was a $81.3 million positive impact from provisional pricing adjustments, mainly as a result of a positive net impact in the settlement of sales invoiced and by the increase in the period end mark to market price to $3.87/lb at 31 December 2023, compared with $3.80/lb at 31 December 2022. Conversely there had been a $169.7 million negative impact from provisional pricing adjustments in 2022, which mainly reflected the decrease in the year-end mark-to-market copper price to $3.80/lb at 31 December 2022, compared with $4.42/lb at 31 December 2021.

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

Further details of provisional pricing adjustments are given in Note 6 to the Full-year results announcement.

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate increased by $57.8 million to $213.6 million in 2023, compared with $155.8 million in 2022 reflecting higher average TC/RC rates and the increase in concentrate sales volumes mainly at Los Pelambres.

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

Accordingly, the increase in these charges has had a negative impact on revenue in the year.

Revenue from molybdenum, gold and other by-product sales

Revenue from by-product sales at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased by $218.0 million or 28.6% to $981.2 million in 2023, compared with $763.2 million in 2022. This increase was mainly due to the higher molybdenum and gold sales volumes and realised prices.

Revenue from molybdenum sales (net of roasting charges) was $504.2 million (2022 - $392.2 million), an increase of $112.0 million. The increase was due to both the higher sales volumes of 11,100 tonnes (2022 – 9,200 tonnes)

reflecting the higher production volumes mainly at Los Pelambres, as well as the 5.8% higher realised price of $22.0/lb (2022 – $20.8/lb).
Revenue from gold sales (net of treatment and refining charges) was $406.9 million (2022 - $313.8 million), an increase of $93.1 million which reflected an increase in volumes and a higher realised price. Gold sales volumes increased by 17.3% from 174,700 ounces in 2022 to 204,900 ounces in 2023, mainly due to higher gold grades at Centinela. The realised gold price was $1,989.5/oz in 2023 compared with $1,800.4/oz in 2022, reflecting the average market price for 2023 of $1,943.1/oz (2022 - $1,800.4/oz) and a positive provisional pricing adjustment of $9.2 million.

Revenue from silver sales increased by $12.9 million to $70.1 million (2022 - $57.2 million). The increase was due to higher sales volumes of 3.0 million ounces (2022 – 2.7 million ounces) and a 13.2% higher realised silver price of $24.0/oz (2022 - $21.2/oz).

Revenue from the Transport division

Revenue from the Transport division (FCAB) increased by $2.5 million or 1.3% to $195.9 million (2022 - $193.4 million), mainly due to increased pricing in some contracts.

Total operating costs

The $314.0 million increase in total operating costs from $4,227.7 million in 2022 to $4,541.7 million in the current year reflected the following factors:

	$m
Total operating costs in 2022 (excluding exceptional items)	**4,227.7**
Increase in mine-site operating costs	187.4
Increase in closure provision and other mining expenses	5.1
Increase in exploration and evaluation costs	28.1
Increase in corporate costs	23.7
Increase in Transport division operating costs	1.6
Increase in depreciation, amortisation and loss on disposals	68.1
	314.0
Total operating costs in 2023 (excluding exceptional items)	**4,541.7**

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

Operating costs (excluding depreciation, amortisation, loss on disposals and impairments) at the Mining division increased by $244.3 million to $3,209.7 million in 2023, an increase of 8.2%.

Of this increase, $187.4 million was attributable to higher mine-site operating costs, reflecting higher unit costs and increased sales volumes.

On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenues increased from $2.05/lb in 2022 to $2.14/lb in 2023. As detailed in the alternative performance measures section on page 65 of the Full-Year Results announcement, for accounting purposes by-product credits and treatment and refining charges both impact revenue and don't therefore affect operating expenses. This increase largely reflected general inflation and the stronger Chilean peso, partially offset by the cost savings from the Group's Cost and Competitiveness Programme and lower key input prices and shipping costs.

The Cost and Competitiveness Programme was implemented to reduce the Group's cost base and improve its competitiveness within the industry. During 2023, the programme achieved benefits of $134.7 million in the

Mining division, of which $106.5 million reflected cost savings and $28.2 million reflected the value of productivity improvements. Of the $106.5 million of cost savings, $101.2 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and $5.4 million related to Zaldívar (on a 100% basis) and therefore impacted the share of results from associates and joint ventures.

Closure provisions and other mining expenses increased by $5.1 million. Exploration and evaluation costs increased by $28.1 million to $141.1 million (2022 – $113.0 million), principally in respect of geotechnical drilling at Centinela and evaluation expenditure at Los Pelambres.

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

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division increased by $1.6 million to $120.7 million (2022 - $119.1 million), mainly due to general inflation and the stronger Chilean peso.

Depreciation, amortisation and disposals

The expense for depreciation, amortisation and loss on disposals increased by $68.1 million from $1,143.2 million in 2022 to $1,211.3 million. This increase is mainly due to higher depreciation of new assets at Centinela and Los Pelambres.

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries increased by $148.4 million or 9.1% in 2023 to $1,782.8 million (2022 - $1,634.3 million).

Share of results from associates and joint ventures (excluding exceptional items)

The Group's share of results from associates and joint ventures (excluding exceptional items) decreased by $61.6 million to a loss of $13.5 million in 2023, compared with a profit of $48.1 million in 2022. Of this decrease, $62.7 million was due to the lower profit from Zaldívar, reflecting decreased copper sales volumes, due to lower copper production (reflecting lower ore processing rates, which were partially mitigated by improved recoveries during the year), a lower realised copper price and higher cash costs.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation, and impairments) increased by $157.5 million or 5.4% to $3,087.2 million (2022 - $2,929.7 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division increased by $156.0 million or 5.5% from $2,849.7 million in 2022 to $3,005.7 million this year. This reflected the higher revenue, partially offset by the higher mine-site costs, exploration and evaluation expenditure, and corporate costs, as well as lower EBITDA from associates and joint ventures.

EBITDA at the Transport division increased by $1.5 million to $81.5 million in 2023 ($80.0 million – 2022), reflecting the higher revenue and slightly increased EBITDA from associates, partly offset by the higher operating costs.

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for 2023 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average US dollar / Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during 2023, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the year. These estimates do not reflect any impact in respect of provisional pricing or hedging instruments, any potential inter-relationship between commodity price and exchange rate movements, or any impact from the retranslation or changes in valuations of assets or liabilities held on the balance sheet at the year-end.

	Average market commodity price / average exchange rate during the year ended 31.12.23	Impact of a 10% movement in the commodity price / exchange rate on EBITDA for the year ended 31.12.23 $m
Copper price	$3.85/lb	566
Molybdenum price	$24.1/lb	59
Gold price	$1,943/oz	40
US dollar / Chilean peso exchange rate	839	161

Net finance income / (expense) (excluding exceptional items)

Net finance income (excluding exceptional items) of $29.1 million reflected a variance of $97.3 million compared with the $68.2 million expense in 2022.

	Year ended 31.12.23 $m	Year ended 31.12.22 $m
Investment income	138.1	40.2
Interest expense	(105.6)	(78.6)
Other finance items	(3.4)	(29.8)
Net finance income/(expense)	**29.1**	**(68.2)**

Interest income increased from $40.2 million in 2022 to $138.1 million in 2023, largely due to an increase in average interest rates.

Interest expense increased from $78.6 million in 2022 to $105.6 million in 2023, again mainly reflecting an increase in average interest rates and an increase in the average relevant borrowing balances (after taking account of borrowings where the interest is capitalised).

Other finance items were a net loss of $3.4 million, compared with a net loss of $29.8 million in 2022, a variance of $26.4 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a $12.5 million gain in 2023 compared with a $12.8 million loss in 2022. In addition, there was an expense of $15.8 million in respect of the unwinding of the discounting of provisions (2022 – expense of $16.9 million).

Profit before tax (excluding exceptional items)

As a result of the factors set out above, profit before tax (excluding exceptional items) increased by 11.4% to $1,798.4 million (2022 - $1,614.2 million).

Income tax expense

The tax charge for 2023 excluding exceptional items increased by $20.7 million to $624.3 million (2022 – $603.6 million) and the effective tax rate for the year was 34.7% (2022 – 37.4%). Including exceptional items, the tax charge for 2023 was $666.1 million and the effective tax rate was 33.9%.

As a result of the approval of the new mining royalty during 2023, a one-off adjustment has been recognized to the deferred tax balances of the Group's mining operations, resulting in an increase in the deferred tax liability balance of $34.3 million, with a corresponding deferred tax expense. Also, the withholding tax charge in the current period reflected a one-off adjustment to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances, reducing the provision balance by $34.7 million, with a corresponding reduction in the deferred tax expense. The net impact of these two one-off items was therefore a reduction in the tax expense of $0.4 million.

	Year ended Excluding exceptional items 31.12.2023		**Year ended Including exceptional items 31.12.2023**		Year ended Excluding exceptional items 31.12.2022		Year ended Including exceptional items 31.12.2022	
	$m	**%**	**$m**	**%**	$m	%	$m	%
Profit before tax	**1,798.4**		**1,965.5**		1,614.2		2,558.9	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(485.6)**	**27.0**	**(530.7)**	**27.0**	(435.9)	27.0	(691.0)	27.0
Mining Tax (royalty)	**(109.7)**	**6.1**	**(109.7)**	**5.6**	(94.5)	5.8	(94.5)	3.7
Deduction of mining royalty as an allowable expense in determination of first category tax	**29.5**	**(1.6)**	**29.5**	**(1.5)**	23.1	(1.4)	23.1	(0.9)
Effect of increase in future royalty tax on deferred tax balances	**(34.3)**	**1.9**	**(34.3)**	**1.7**	-	-	-	-
Items not deductible from first category tax	**(21.4)**	**1.2**	**(21.4)**	**1.1**	(33.9)	2.1	(33.9)	1.3
Adjustment in respect of prior years	**4.5**	**(0.3)**	**4.5**	**(0.2)**	(2.6)	0.1	(2.6)	0.1
Withholding tax	**(1.4)**	**0.1**	**(1.4)**	**0.1**	(73.0)	4.6	(73.0)	2.9
Tax effect of share of results of associates and joint ventures	**(3.6)**	**0.2**	**(3.6)**	**0.2**	13.0	(0.8)	13.0	(0.5)
Impact of unrecognised tax losses on current tax	**(2.3)**	**0.1**	**(2.3)**	**0.1**	0.2	-	0.2	-
Gain on disposal of investment in joint venture	**-**	**-**	**-**	**-**	-	-	255.1	(10.0)
Difference in overseas tax rate	**-**	**-**	**3.3**	**(0.2)**	-	-	-	-
Tax expense and effective tax rate for the Year ended	**(624.3)**	**34.7**	**(666.1)**	**33.9**	(603.6)	37.4	(603.6)	23.6

The effective tax rate (excluding exceptional items) of 34.7% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $80.2 million / 4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the one-off effect of the increase in future royalty tax rates on deferred tax balances (impact of $34.3 million / 1.9%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $21.4 million / 1.2%), the impact of the recognition of the Group's share of results from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $3.6 million / 0.2%), the impact of unrecognised tax losses (impact of $2.3 million / 0.1%) and the withholding tax relating to the remittance of profits from Chile (impact of $1.4 million / 0.1%), partly offset by adjustments in respect of prior years (impact of $4.5 million / 0.3%).

Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group.

Compañia de Minas Buenaventura S.A.A.

As detailed in Note 18, the Group has entered into an agreement under which it is expected to acquire up to 30 million shares in Compañia de Minas Buenaventura S.A.A. An exceptional fair value pre-tax gain of $167.1 million ($125.3 million post tax) has been recognised during 2023 in respect of this agreement.

Disposal of investment in Tethyan joint venture (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation (“Barrick”) in respect of the Reko Diq project in Pakistan. As a result, Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. Full details of the agreements and gain on disposal are set out in Note 14 to the Full-year results announcement.

Non-controlling interests

Profit for 2023 attributable to non-controlling interests was $464.3 million, compared with $422.3 million in 2022, an increase of $42.0 million. This reflected the increase in earnings analysed above.

Earnings per share

	Year ended 31.12.23 $ cents	Year ended 31.12.22 $ cents
Underlying earnings per share (excluding exceptional items)	**72.0**	59.7
Earnings per share (exceptional items)	**12.7**	95.8
Earnings per share (including exceptional items)	**84.7**	155.5

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

As a result of the factors set out above, the underlying profit attributable to equity shareholders of the Company (excluding exceptional items) was $709.8 million compared with $588.3 million in 2022, giving underlying earnings per share of 72.0 cents per share (2022 – 59.7 cents per share). The profit attributable to equity shareholders (including exceptional items) was $835.1 million (2022 - $1,533.0 million), resulting in earnings per share of 84.7 cents per share (2022 – 155.5 cents per share).

Dividends

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

	Year ended 31.12.23 $ cents	Year ended 31.12.22 $ cents
Ordinary dividends:		
Interim	**11.7**	9.2
Final	**24.3**	50.5
Total dividends to ordinary shareholders	**36.0**	59.7

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

The Board has recommended a final dividend for 2023 of 24.3 cents per ordinary share, which amounts to $239.6 million and will be paid on 10 May 2024 to shareholders on the share register at the close of business on 19 April 2024.

The Board declared an interim dividend for the first half of 2023 of 11.7 cents per ordinary share, which amounted to $115.3 million.

This gives total dividends proposed in relation to 2023 (including the interim dividend) of 36.0 cents per share or $354.9 million (2022 – 59.7 cents per ordinary share or $588.3 million in total) equivalent to a payout ratio of 50% of underlying earnings.

Capital expenditure

Capital expenditure increased by $250.0 million from $1,879.2 million in 2022 to $2,129.2 million in the current year, mainly due to increased mine development at Centinela, Los Pelambres and Antucoya, and higher sustaining capex at Los Pelambres and Centinela, partly offset by lower expenditure on the INCO project at Los Pelambres.

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

Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes. At 31 December 2023, there were no derivative financial instruments in place (2022 – nil).

Cash flows

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

	Year ended 31.12.23 $m	Year ended 31.12.22 $m
Cash flows from continuing operations	**3,027.1**	2,738.3
Income tax paid	(528.1)	(787.1)
Net interest paid	(48.8)	(45.2)
Purchases of property, plant and equipment	(2,129.2)	(1,879.2)
Dividends paid to equity holders of the Company	(613.2)	(1,262.9)
Dividends paid to non-controlling interests	(388.0)	(80.0)
Dividends from associates and joint ventures	-	50.0
Disposal of JV	944.7	-
Investment in other financial assets	(290.1)	-
Acquisition of equity investments	(60.7)	(66.5)
Other items	(0.8)	0.1
Changes in net debt relating to cash flows	**(87.1)**	(1,332.5)
Other non-cash movements	(187.6)	(70.4)
Effects of changes in foreign exchange rates	0.7	(23.4)
Movement in net debt in the period	**(274.0)**	(1,426.3)
(Net debt)/net cash at the beginning of the year	(885.8)	540.5
Net debt at the end of the year	**(1,159.8)**	(885.8)

Cash flows from continuing operations were $3,027.1 million in 2023 compared with $2,738.3 million in 2022. This reflected EBITDA from subsidiaries for the year of $2,994.1 million (2022 – $2,777.5 million) adjusted for the positive impact of a net working capital decrease of $14.3 million (2022 – working capital increase of $12.7 million) and a non-cash increase in provisions of $18.7 million (2022 – decrease of $26.5 million).

The net cash outflow in respect of tax in 2023 was $528.1 million (2022 – $787.1 million). This amount differs from the current tax charge in the consolidated income statement (including exceptional items) of $586.8 million (2022 – $448.8 million) as the cash tax payments reflect payments on account for the current year based on prior periods' profit levels of $544.3 million (2022 - $435.6 million), the settlement of outstanding balances in respect of the previous year's tax charge of $14.7 million (2022 - $332.1 million) and withholding tax payments of $2.1 million (2022 - $24.5 million), partly offset by the recovery of $33.0 million relating to prior years (2022 - $5.1 million).

Contributions and loans to associates and joint ventures were $0.7 million (2022 – nil).

Capital expenditure in 2023 was $2,129.2 million compared with $1,879.2 million in 2022. This included expenditure of $1,044.6 million at Centinela (2022 – $857.0 million), $897.1 million at Los Pelambres (2022 – $889.7 million), $121.6 million at Antucoya (2022 – $66.9 million), $15.5 million at the corporate centre (2022 – $10.8 million) and $50.4 million at the Transport division (2022 - $54.8 million). The higher total capex compared with the prior year reflects increased mine development at Centinela, Los Pelambres and Antucoya, and higher sustaining capex at Los Pelambres and Centinela, partly offset by lower expenditure on the INCO project at Los Pelambres.

As detailed in Note 14, in December 2022 Antofagasta completed its disposal of its 50% interest in the Tethyan joint venture. It was agreed that the disposal proceeds would be distributed to Antofagasta during 2023. In May 2023, the disposal proceeds of $944.7 million, plus interest of $11.6 million, were received by the Group.

There was a cash outflow of $290.1 million in respect of investment in other financial assets in 2023 (2022 – nil).

Acquisitions of equity investments were $60.7 million in 2023 (2022 - $66.5 million).

Dividends paid to equity holders of the Company were $613.2 million (2022 - $1,262.9 million) of which $497.9 million related to the payment of the previous year's final dividend and $115.3 million to the interim dividend declared in respect of the current year.

Dividends paid by subsidiaries to non-controlling shareholders were $388.0 million (2022 – $80.0 million).

Dividends received from associates and joint ventures were nil for 2023 (2022 – $50.0 million).

Financial position

	At 31.12.23 **$m**	At 31.12.22 $m
Cash, cash equivalents and liquid investments	**2,919.4**	2,391.2
Total borrowings and other financial liabilities	**(4,079.2)**	(3,277.0)
Net debt at the end of the period	**(1,159.8)**	(885.8)

At 31 December 2023, the Group had combined cash, cash equivalents and liquid investments of $2,919.4 million (31 December 2022 – $2,391.2 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $2,490.5 million (31 December 2022 – $1,991.0 million).

Total Group borrowings and other financial liabilities at 31 December 2023 were $4,079.2 million, an increase of $802.2 million on the prior year (31 December 2022 – $3,277.0 million). The increase was mainly due to $1,062.2 million of additional senior loans at Los Pelambres ($797.2 million) and Centinela ($265.0 million) and $178.6 million of new finance leases, partly offset by a $381.7 million repayment of the senior loans at Los Pelambres ($210.3 million), Centinela ($111.1 million), Antucoya ($50.0 million), and the Transport division ($10.3 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was $2,948.3 million (31 December 2022 – $2,449.7 million).

These movements resulted in net debt at 31 December 2023 of $1,159.8 million (31 December 2022 – net debt $885.8 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of $457.8 million (31 December 2022 – net cash $458.7 million).

Going concern

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

Cautionary statement about forward-looking statements

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

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

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

Consolidated Income Statement

				Year ended 31.12.2023 (Unaudited)			Year ended 31.12.2022 (Audited)
		Excluding exceptional items	**Exceptional items note 3**	**Total**	Excluding exceptional items	Exceptional items note 3	Total
	Notes	**$m**	**$m**	**$m**	$m	$m	$m
Group revenue	5	**6,324.5**	**-**	**6,324.5**	5,862.0	-	5,862.0
Total operating costs	2	**(4,541.7)**	**-**	**(4,541.7)**	(4,227.7)	-	(4,227.7)
Operating profit from subsidiaries	2	**1,782.8**	**-**	**1,782.8**	1,634.3	-	1,634.3
Net share of results of associates and joint ventures	2	**(13.5)**	**-**	**(13.5)**	48.1	-	48.1
Gain on disposal of investment in joint venture	3	**-**	**-**	**-**	-	944.7	944.7
Operating profit from subsidiaries, and share of total results from associates and joint ventures		**1,769.3**	**-**	**1,769.3**	1,682.4	944.7	2,627.1
Investment income	8	**138.1**	**-**	**138.1**	40.2	-	40.2
Interest expense	8	**(105.6)**	**-**	**(105.6)**	(78.6)	-	(78.6)
Other finance items	3	**(3.4)**	**167.1**	**163.7**	(29.8)	-	(29.8)
Net finance income/(expense)	8	**29.1**	**167.1**	**196.2**	(68.2)	-	(68.2)
Profit before tax		**1,798.4**	**167.1**	**1,965.5**	1,614.2	944.7	2,558.9
Income tax expense	9	**(624.3)**	**(41.8)**	**(666.1)**	(603.6)	-	(603.6)
Profit from continuing operations		**1,174.1**	**125.3**	**1,299.4**	1,010.6	944.7	1,955.3
Profit for the year		**1,174.1**	**125.3**	**1,299.4**	1,010.6	944.7	1,955.3
Attributable to:							
Non-controlling interests		**464.3**	**-**	**464.3**	422.3	-	422.3
Owners of the parent		**709.8**	**125.3**	**835.1**	588.3	944.7	1,533.0
		US cents	**US cents**	**US cents**	US cents	US cents	US cents
Basic earnings per share							
From continuing operations	10	**72.0**	**12.7**	**84.7**	59.7	95.8	155.5

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31.12.2023 (Unaudited)	Year ended 31.12.2022 (Audited)
		$m	$m
Profit for the year	**5**	**1,299.4**	1,955.3
Items that may be or were subsequently reclassified to profit or loss:			
Currency translation adjustment		**(0.5)**	(0.4)
Total items that may be or were subsequently reclassified to profit or loss		**(0.5)**	(0.4)
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans	**20**	**10.7**	(18.1)
Gains on fair value of equity investments	**16**	**137.0**	15.8
Tax on items recognised directly in equity that will not be reclassified	**22**	**(40.8)**	5.7
Share of other comprehensive losses of associates and joint ventures, net of tax		**(0.6)**	-
Total Items that will not be subsequently reclassified to profit or loss		**106.3**	3.4
Total other comprehensive income		**105.8**	3.0
Total comprehensive income for the year		**1,405.2**	1,958.3
Attributable to:			
Non-controlling interests		**467.6**	418.1
Owners of the parent		**937.6**	1,540.2
Total comprehensive income for the year - continuing operations		**1,405.2**	1,958.3
		1,405.2	1,958.3

Consolidated Statement of Changes in Equity

For the year ended 31.12.2023 (Unaudited)

	Share capital	Share premium	Other reserves (Note 24)	Retained earnings (Note 24)	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2023	89.8	199.2	5.0	8,333.5	**8,627.5**	3,016.9	**11,644.4**
Profit for the year	-	-	-	835.1	**835.1**	464.3	**1,299.4**
Other comprehensive income for the year	-	-	99.5	3.0	**102.5**	3.3	**105.8**
Total comprehensive income for the year	**-**	**-**	**99.5**	**838.1**	**937.6**	**467.6**	**1,405.2**
Dividends	**-**	**-**	**-**	(613.2)	(613.2)	(388.0)	(1,001.2)
Balance at 31 December 2023	**89.8**	**199.2**	**104.5**	**8,558.4**	**8,951.9**	**3,096.5**	**12,048.4**

For the year ended 31.12.2022 (Audited)

	Share capital	Share premium	Other reserves (Note 24)	Retained earnings (Note 24)	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2022	89.8	199.2	(10.4)	8,071.6	**8,350.2**	2,678.8	**11,029.0**
Profit for the year	-	-	-	1,533.0	**1,533.0**	422.3	**1,955.3**
Other comprehensive income/(expense) for the year	-	-	15.4	(8.2)	**7.2**	(4.2)	**3.0**
Total comprehensive income for the year	**-**	**-**	**15.4**	**1,524.8**	**1,540.2**	**418.1**	**1,958.3**
Dividends	-	-	-	(1,262.9)	**(1,262.9)**	(80.0)	**(1,342.9)**
Balance at 31 December 2022	**89.8**	**199.2**	**5.0**	**8,333.5**	**8,627.5**	**3,016.9**	**11,644.4**

Consolidated Balance Sheet

		At 31.12.2023 (Unaudited)	At 31.12.2022 (Audited)
Non-current assets	**Notes**	**$m**	$m
Property, plant and equipment	13	**12,678.7**	11,543.5
Other non-current assets		**-**	1.1
Inventories	17	**457.0**	347.0
Investments in associates and joint ventures	15	**891.1**	904.6
Trade and other receivables		**68.5**	51.0
Equity investments	16	**288.6**	90.5
Deferred tax assets	22	**72.0**	78.5
		14,455.9	13,016.2
Current assets			
Inventories	17	**671.0**	708.1
Trade and other receivables		**1,117.8**	2,087.2
Other financial asset	18	**457.2**	-
Current tax assets		**25.9**	35.6
Liquid investments	26	**2,274.7**	1,580.8
Cash and cash equivalents	26	**644.7**	810.4
		5,191.3	5,222.1
Total assets		**19,647.2**	18,238.3
Current liabilities			
Short-term borrowings and other financial liabilities	19	**(901.9)**	(432.5)
Trade and other payables		**(1,171.5)**	(1,079.7)
Short-term decommissioning and restoration provisions	21	**(15.2)**	(33.2)
Current tax liabilities		**(100.7)**	(60.4)
		(2,189.3)	(1,605.8)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	19	**(3,177.3)**	(2,844.5)
Trade and other payables		**(9.8)**	(8.0)
Post-employment benefit obligations	20	**(139.9)**	(137.3)
Decommissioning and restoration provisions	21	**(425.9)**	(455.0)
Deferred tax liabilities	22	**(1,656.6)**	(1,543.3)
		(5,409.5)	(4,988.1)
Total liabilities		**(7,598.8)**	(6,593.9)
Net assets		**12,048.4**	11,644.4
Equity			
Share capital	23	**89.8**	89.8
Share premium	23	**199.2**	199.2
Other reserves	24	**104.5**	5.0
Retained earnings	24	**8,558.4**	8,333.5
Equity attributable to owners of the parent		**8,951.9**	8,627.5
Non-controlling interests		**3,096.5**	3,016.9
Total equity		**12,048.4**	11,644.4

The consolidated financial information was approved by the Board of Directors on 19 February 2024.

Consolidated Cash Flow Statement

	Notes	At 31.12.2023 (Unaudited) $m	At 31.12.2022 (Audited) $m
Cash flows from continuing operations	**25**	**3,027.1**	2,738.3
Interest paid		**(166.0)**	(74.3)
Income tax paid		**(528.1)**	(787.1)
Net cash from operating activities		**2,333.0**	1,876.9
Investing activities			
Capital contributions to associates and joint ventures	**15**	**(0.6)**	-
Dividends from associates and joint ventures	**15**	**-**	50.0
Investment in other financial assets	**18**	**(290.1)**	-
Acquisition of equity investments	**16**	**(60.7)**	(66.5)
Proceeds from disposal of investment in joint venture	**14**	**944.7**	-
Proceeds from sale of property, plant and equipment		**-**	0.2
Purchases of property, plant and equipment		**(2,129.2)**	(1,879.2)
Net (increase)/decrease in liquid investments	**26**	**(674.2)**	1,388.9
Interest received		**117.1**	29.1
Net cash used in investing activities		**(2,093.0)**	(477.5)
Financing activities			
Dividends paid to equity holders of the company		**(613.2)**	(1,262.9)
Dividends paid to preference shareholders of the Company		**(0.1)**	(0.1)
Dividends paid to non-controlling interests		**(388.0)**	(80.0)
Proceeds from issue of new borrowings	**26**	**1,062.2**	865.9
Repayments of borrowings	**26**	**(381.7)**	(751.3)
Principal elements of lease payments	**26**	**(81.2)**	(105.4)
Net cash used in financing activities		**(402.0)**	(1,333.8)
Net (decrease)/increase in cash and cash equivalents	**26**	**(162.0)**	65.6
Cash and cash equivalents at beginning of the year		**810.4**	743.4
Net (decrease)/increase in cash and cash equivalents	**26**	**(162.0)**	65.6
Effect of foreign exchange rate changes	**26**	**(3.7)**	1.4
Cash and cash equivalents at end of the year	**26**	**644.7**	810.4

Notes

1. General information and accounting policies

a) General information

The consolidated financial information for the year ended 31 December 2023 was approved for issue by the Board of Directors of the Company on 19 February 2024. The consolidated financial information is unaudited but is derived from the Group's full financial accounts, which are in the final stages of being prepared.

This consolidated financial information has been prepared under the accounting policies as set out in the statutory accounts for the year ended 31 December 2022, subject to the new accounting standards as detailed in note 1(b) below (which as noted had no material impact on the amounts reported in this financial information).

The consolidated financial statements of the Antofagasta plc Group for the year ended 31 December 2023 are being prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The consolidated financial information has been prepared on the going concern basis.

The consolidated financial information does not include all of the notes of the type normally included in annual financial statements. Accordingly, the consolidated financial information is not in full accordance with UK-adopted International Accounting standards.

The information contained in this announcement for the year ended 31 December 2022 also does not constitute statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, with no matters by way of emphasis, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

The information contained in the Alternative performance measures and Production and Sales Statistics section of this consolidated financial information is not derived from the statutory accounts for the years ended 31 December 2023 and 2022 and is accordingly not covered/will not be covered by the auditors' reports.

Going concern

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2025.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Financial and Operating Review, and in particular within the Review of Operations. Details of the cash flows of the Group during the period, along with its financial position at the period-end, are set out in the Financial Review. The consolidated financial information includes details of the Group's cash, cash equivalents and liquid investment balances in Note 26, and details of borrowings are set out in Note 19.

When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the terms and remaining durations of the borrowing facilities in place. The Group had a strong financial position as at 31 December 2023, with combined cash, cash equivalents and liquid investments of $2,919.4 million. Total borrowings were $4,079.2 million, resulting in a net debt position of $1,159.8 million. Of the total borrowings, only 22% is repayable within one year, and 16% repayable between one and two years.

When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile and capital expenditure. These forecasts are based on the Group's budgets and life-of-mine models, which are also used when assessing relevant accounting estimates, including depreciation, deferred stripping and closure provisions, and accounting judgements including potential indicators of impairment.

The principal analysis has only considered existing committed borrowing facilities in place as of 31 December 2023, and has not assumed that any new borrowing facilities will be put in place. Given the planned financing for the Centinela Second Concentrator project was not in place as at 31 December 2023, we have not included the planned development of that project within this principal scenario. As an additional scenario we have forecast the impact of the development of this project, which assumes a typical financing environment which allows us to put in place our planned financing for the project. In addition, we have also modelled sensitivities reflecting the impact of potential overruns in the project costs.

The forecasts have assumed distributions in line with the Group's policy that the total annual dividend for each year would represent a payout ratio based on underlying net earnings (as defined in the Alternative Performance Measures section) for that year of at least 35%.

The Directors have assessed the key risks which could impact the prospects of the Group over the going concern period and consider the most relevant to be risks to the copper price outlook, as this is the factor most likely to result in significant volatility in earnings and cash generation. Robust down-side sensitivity analyses have been performed in relation to the principal analysis described above, assessing the standalone impact of each of:

- A significant deterioration in the future copper price forecasts, by an average of approximately 15% throughout the going concern period.
- An even more pronounced short-term reduction of 50 c/lb in the copper price for a period of three months, in addition to the above general deterioration in the copper price throughout the review period.
- The potential impact of the Group's most significant individual operational risks.
- A shutdown of any one of the Group's operations for a period of three months, or a shut-down of all of the Group's operations for a period of one month.

The stability of tailings storage facilities represents a potentially significant operational risk for mining operations globally. The Group's tailings storage facilities are designed to international standards, constructed using downstream methods, subject to rigorous monitoring and reporting, and reviewed regularly by an international panel of independent experts. Given these standards of design, development, operations and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.

The above downside sensitivity analyses indicated results which could be managed in the normal course of business, including the aggregate impact of a number of the above sensitivities occurring at the same time. The analysis indicated that the Group is expected to remain in compliance with all of the covenant requirements of its borrowings throughout the review period and retain sufficient liquidity. Based on their assessment of the Group's prospects, the Directors have formed a judgement, at the time of approving the financial statements, that there are no material uncertainties that the Directors are aware of that cast doubt on the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2025. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial information.

b) Adoption of new accounting standards

Other accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period but the application of these standards and interpretations had no material impact on the amounts reported in this consolidated financial information:

The following accounting standards, amendments and interpretations became effective in the current reporting period:

- IFRS 17, Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The application of these standards and interpretations effective for the first time in the current year has had no significant impact on the amounts reported in these financial statements.

c) Accounting standards issued but not yet effective

At the date of authorisation of this financial information, the following standards and interpretations, which have not been applied in this financial information, were in issue but not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. None of these standards are expected to have a significant impact on the Group.

Amendments to IFRSs	**Effective date**
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024
Lack of Exchangeability (Amendments to IAS 21)[1]	Annual periods beginning on or after January 1, 2025

[1] This amendment is still subject to UK endorsement.

d) Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements and keys estimates applied in this consolidated financial information are:

<u>Judgements</u>

- Non-financial assets impairment– see Note 4 for relevant details

<u>Estimates</u>

- Deferred taxation – see Note 22 for relevant details

2. Operating profit from subsidiaries, and share of total results from associates and joint ventures

	Year ended 31.12.2023 (Unaudited)	Year ended 31.12.2022 (Audited)
	$m	$m
Revenue	**6,324.5**	5,862.0
Cost of sales	**(3,666.4)**	(3,432.7)
Gross profit	**2,658.1**	2,429.3
Administrative and distribution expenses	**(618.5)**	(558.9)
Other operating income	**50.8**	37.9
Other operating expenses [1]	**(307.6)**	(274.0)
Operating profit from subsidiaries	**1,782.8**	1,634.3
Net share of results from associates and joint ventures	**(13.5)**	48.1
Gain on disposal of investment in joint venture	**-**	944.7
Total operating profit from subsidiaries, and share of total results from associates and joint ventures	**1,769.3**	2,627.1

[1]Other operating expenses comprise $141.1 million of exploration and evaluation expenditure (2022 - $113.0 million), $25.7 million in respect of the employee severance provision (2022 - $19.1 million), $12.8 million in respect of the decommissioning and restoration provisions (2022 - $15.4 million – restated from the previously reported figure of $16.9 million in order to ensure consistency with the reconciliation reflected in Note 21), and $128.0 million of other expenses (2022 - $125.0 million).

3. Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group.

2023 – Compañía de Minas Buenaventura S.A.A.

As detailed in Notes 7 and 18, the Group has entered into an agreement under which it is expected to acquire up to an additional 30 million shares in Compañia de Minas Buenaventura S.A.A. An exceptional fair value gain of $167.1 million was recognised during 2023 in respect of this agreement. A deferred tax expense of $41.8 million has been recognised in respect of this gain (see Note 9), resulting in a post-tax impact of $125.3 million.

2022 - Disposal of investment in Tethyan joint venture (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan. As a result, Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. The disposal proceeds were received by the Group in May 2023. Full details of the agreements and gain on disposal are set out in Note 14.

4. Asset sensitivities

There were no indicators of potential impairment, or reversal of previous impairments, for the Group's non-current assets associated with its mining operations at the 2023 year-end, and accordingly no impairment tests have been performed. The impairment indicator assessment included consideration of the potential indicators set out in IAS 36, 'Impairment of Assets', which included quantitative analysis based on the operations' life-of-mine models ("the models"). These models provide indicative valuations and do not represent, or comply with, a formal impairment assessment prepared in accordance with IAS 36. Sensitivity analyses have been performed on the models to quantify the impact of changes in assumptions to which the models are most sensitive and to support the overall impairment indicator assessment.

As noted above, no qualitative indicators of potential impairment or potential reversal of impairment were identified. Similarly, no quantitative indicators of impairment were identified, with the models used within the impairment indicator assessment continuing to indicate positive headroom for all of the Group's mining operations, including the Zaldívar joint venture, with the indicated value of the assets in excess of their carrying value.

Relevant aspects of this process are detailed below:

Copper price outlook

The assumption to which the value of the assets is most sensitive is the future long-term copper price. The copper price forecasts (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on the forward curve for the short term and consensus analyst forecasts for the longer term. A long-term copper price of $3.70/lb (reflecting 2023 real terms) has been used in the models considered as part of the impairment indicator assessment, which has increased from $3.50/lb (reflecting 2022 real terms) at the prior year-end. As an additional down-side sensitivity an indicative valuation (based on the models) was performed with a long-term copper price of $3.33/lb, reflecting a 10% reduction in the long-term price forecast. Los Pelambres and Centinela still showed positive headroom in their models in this alternative down-side scenario. However, the Antucoya indicative valuation indicated a potential deficit of $60.0 million (2022 – potential deficit of $400 million) and the Zaldívar valuation indicated a potential deficit of $60 million (2022 – potential deficit of $170 million) (on a 50% basis). This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. In reality, a deterioration in the long-term copper price environment is likely to result in corresponding improvements in a range of input cost factors. In particular, given that copper exports account for over 50% of Chile's exports, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and a decrease in the copper price may therefore result in a weakening of the Chilean peso, with a resulting reduction in the Group's operating costs and capital expenditure in US$ terms. These likely cost reductions, as well as potential operational changes which could be made in a weaker copper price environment, could partly mitigate the impact of the lower copper price modelled in these estimated potential sensitivities.

The US dollar/Chilean peso exchange rate

The value of the assets is also sensitive to movements in the US dollar/Chilean peso exchange rate. A long-term exchange rate of Ch$785/$1 has been used in the models considered as part of the impairment indicator assessment. This compares with the long-term exchange rate of CH$850/$1 used in 2022. As an additional down-side sensitivity an indicative valuation was prepared with a 10% stronger long-term Chilean peso exchange rate assumption. All of the Group's mining operations still showed positive headroom in their models in this alternative down-side scenario. As noted above, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and so a strengthening of the Chilean peso may often reflect a stronger copper price environment, which could mitigate the impact of a stronger exchange rate.

Discount rate

A real post-tax discount rate of 8% (2022 – 8%), calculated using relevant market data, has been used in the impairment indicator assessment.

Climate-related impacts

The assessments reflect the Group's estimates of potential future climate-related impacts. The Group discloses in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process includes scenario analyses assessing the potential future impact of transition and physical risks, as well as potential copper price upside (for example, due to increased demand for the construction of electric vehicles and renewable power generating capacity). On the basis that the potential copper price upside is expected to exceed the downside impact of future risks, no specific adjustments have been reflected in these assessments in relation to climate-change.

Other relevant assumptions

In addition to the impact of the future copper price, the US dollar/Chilean peso exchange rate, the discount rate and climate-related impacts, the models used in the impairment indicator assessment are sensitive to the assumptions in respect of future production levels, operating costs, and sustaining and development capital expenditure.

In the case of Zaldívar, in addition to the assumptions made in respect of the factors outlined above, the conclusion that there are no impairment indicators reflects certain assumptions about future operational considerations to which the model considered as part of the impairment indicator assessment is sensitive, in particular the following:

- The operational performance experienced in 2023, in particular the lower than expected throughput levels, is not considered to be indicative of future performance levels, with throughput and recovery levels forecast to increase over future years.

- Currently, Zaldívar is permitted to extract water and mine until 2025, following the approval of the Declaration of Environmental Impact ("DIA") in early 2024 to align both the permits for mining and water extraction. In March 2023, Zaldívar submitted a ("DIA"), which is a more limited scope and simplified procedure than an Environmental Impact Assessment ("EIA"). The DIA submitted requested that the mining permit be extended from 2024 to 2025, to expire at the same date as the current water permit and in January 2024 this DIA application was approved. The mine life after 2025 is subject to an EIA application which was filed in June 2023 to extend mining and water environmental permits through 2051 and Zaldívar simultaneously withdrew an earlier EIA application filed in 2018 which remained unresolved. This EIA includes a proposal to develop the primary sulphide ore deposit, extending the current life of mine and requiring investments over the mine life of $1.2 billion, and a conversion of the water source for Zaldívar to either seawater or water from third parties, following a transition period during which the current continental water extraction permit is extended from 2025 to 2028. The impairment indicator assessment assumes that the EIA will be granted, to enable the continued operation of the mine without interruption. However, if this is not the case, this is likely to be considered an indicator of a potential impairment, requiring an IAS 36 impairment assessment at that point.

• Zaldívar's final pit phase, which represents approximately 20% of current ore reserves, impacts a portion of Minera Escondida's mine property, as well as infrastructure owned by third parties. Mining of the phase will be subject to agreements or easements to access these areas and relocate the infrastructure, and related permits. In July 2023, Zaldívar reached an agreement with Escondida in respect to mining matters and certain cost sharing. The impairment indicator assessment assumes that the additional necessary agreements, easements and permits will be obtained to allow the mining of the final pit phase.

The carrying value of the Group's investment in joint venture balance in respect of Zaldívar as at 31 December 2023 was $881.3 million (2022 - $897.3 million).

5. Segmental analysis

The Group's reportable segments, which are the same as its operating segments, are as follows:

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

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

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

a) Segment revenues and results

For the year ended 31.12.2023 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	2,923.8	2,532.5	672.3	-	-	-	**6,128.6**	195.9	**6,324.5**
Operating costs excluding depreciation	(1,199.2)	(1,313.5)	(457.2)	-	(141.1)	(98.7)	**(3,209.7)**	(120.7)	**(3,330.4)**
Depreciation	(318.6)	(727.3)	(109.4)	-	-	(24.3)	**(1,179.6)**	(31.7)	**(1,211.3)**
Operating profit/(loss)	1,406.0	491.7	105.7	-	(141.1)	(123.0)	**1,739.3**	43.5	**1,782.8**
Net share of results from associates and joint ventures	-	-	-	(15.4)	-	-	**(15.4)**	1.9	**(13.5)**
Total operating profit from subsidiaries, and share of total results from associates and joint ventures.	1,406.0	491.7	105.7	(15.4)	(141.1)	(123.0)	**1,723.9**	45.4	**1,769.3**
Investment income	38.0	20.3	6.8	-	-	72.2	**137.3**	0.8	**138.1**
Interest expense	(4.3)	(20.3)	(30.7)	-	-	(49.2)	**(104.5)**	(1.1)	**(105.6)**
Other finance items (Excluding exceptional items)	(0.2)	(0.2)	(0.4)	-	-	(1.9)	**(2.7)**	(0.7)	**(3.4)**
Fair value gain on other financial assets - exceptional items [3]	-	-	-	-	-	167.1	**167.1**	-	**167.1**
Profit/(loss) before tax	1,439.5	491.5	81.4	(15.4)	(141.1)	65.2	**1,921.1**	44.4	**1,965.5**
Tax	(465.2)	(143.1)	(14.6)	-	-	13.7	**(609.2)**	(15.1)	**(624.3)**
Tax - exceptional items	-	-	-	-	-	(41.8)	**(41.8)**	-	**(41.8)**
Profit/(loss) for the year	974.3	348.4	66.8	(15.4)	(141.1)	37.1	**1,270.1**	29.3	**1,299.4**
Non-controlling interests	372.5	89.5	5.5	-	-	(3.2)	**464.3**	-	**464.3**
Profit/(loss) attributable to the owners of the parent	601.8	258.9	61.3	(15.4)	(141.1)	40.3	**805.8**	29.3	**835.1**
EBITDA[1]	1,724.6	1,219.0	215.1	86.8	(141.1)	(98.7)	**3,005.7**	81.5	**3,087.2**
Additions to non-current assets									
Additions to property, plant and equipment	914.3	1,182.4	140.7	-	-	19.0	**2,256.4**	51.5	**2,307.9**
Segment assets and liabilities									
Segment assets	7,414.0	6,533.6	1,732.7	-	-	2,657.6	**18,337.9**	418.2	**18,756.1**
Investments in associates and joint ventures	-	-	-	881.3	-	-	**881.3**	9.8	**891.1**
Segment liabilities	(3,829.1)	(1,857.0)	(535.2)	-	-	(1,304.7)	**(7,526.0)**	(72.8)	**(7,598.8)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2] Operating cash outflow in the exploration and evaluation segment was $137.5 million.
[3] An exceptional fair value gain of $167.1 million has been recognised in respect of an agreement under which the Group is expected to acquire up to 30 million shares in Compañia de Minas Buenaventura S.A.A., as detailed in Notes 3 and 18.

For the year ended 31.12.2022 (Audited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	Transport division	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Revenue	2,558.9	2,406.2	703.5	-	-	-	**5,668.6**	193.4	**5,862.0**
Operating costs excluding depreciation	(1,086.1)	(1,249.0)	(442.3)	-	(113.0)	(75.0)	**(2,965.4)**	(119.1)	**(3,084.5)**
Depreciation	(276.1)	(710.2)	(105.6)	-	-	(18.7)	**(1,110.6)**	(30.5)	**(1,141.1)**
Loss on disposals	(0.5)	(1.0)	-	-	-	(0.6)	**(2.1)**	-	**(2.1)**
Operating profit/(loss)	1,196.2	446.0	155.6	-	(113.0)	(94.3)	**1,590.5**	43.8	**1,634.3**
Net share of results from associates and joint ventures	-	-	-	47.3	-	(0.7)	**46.6**	1.5	**48.1**
Gain on disposal of investment in joint venture [3]	-	-	-	-	-	944.7	**944.7**	-	**944.7**
Total operating profit from subsidiaries, and share of total results from associates and joint ventures.	1,196.2	446.0	155.6	47.3	(113.0)	849.7	**2,581.8**	45.3	**2,627.1**
Investment income	10.7	6.6	2.4	-	-	19.8	**39.5**	0.7	**40.2**
Interest expense	(3.3)	(10.6)	(19.9)	-	-	(44.2)	**(78.0)**	(0.6)	**(78.6)**
Other finance items	(5.2)	(11.3)	(6.6)	-	-	(5.0)	**(28.1)**	(1.7)	**(29.8)**
Profit/(loss) before tax	1,198.4	430.7	131.5	47.3	(113.0)	820.3	**2,515.2**	43.7	**2,558.9**
Tax	(371.8)	(130.8)	(34.9)	-	-	(50.8)	**(588.3)**	(15.3)	**(603.6)**
Profit/(loss) for the year	826.6	299.9	96.6	47.3	(113.0)	769.5	**1,926.9**	28.4	**1,955.3**
Non-controlling interests	319.3	82.9	21.2	-	-	(1.1)	**422.3**	-	**422.3**
Profit/(loss) attributable to owners of the parent	507.3	217.0	75.4	47.3	(113.0)	770.6	**1,504.6**	28.4	**1,533.0**
EBITDA[1]	1,472.8	1,157.2	261.2	147.2	(113.0)	(75.7)	**2,849.7**	80.0	**2,929.7**
Additions to non-current assets									
Additions to property, plant and equipment	965.2	889.0	75.1	-	0.5	16.4	**1,946.2**	55.8	**2,002.0**
Segment assets and liabilities									
Segment assets	6,786.6	5,922.8	1,708.0	-	-	2,504.1	**16,921.5**	412.2	**17,333.7**
Investments in associates and joint ventures	-	-	-	897.3	-	-	**897.3**	7.3	**904.6**
Segment liabilities	(3,155.0)	(1,565.1)	(558.1)	-	-	(1,225.8)	**(6,504.0)**	(89.9)	**(6,593.9)**

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

[2] Operating cash outflow in the exploration and evaluation segment was $98.3 million.

[3] An exceptional gain of $944.7 million has been recognised in respect of the Group's disposal of its investment in the Tethyan joint venture (Reko Diq project) (see notes 3 and 14)

b) Entity wide disclosures

Revenue by product

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Copper		
- Los Pelambres	**2,381.1**	2,107.7
- Centinela concentrates	**1,309.8**	1,132.7
- Centinela cathodes	**692.6**	844.4
- Antucoya	**666.1**	697.5
Provision of shipping services		
- Los Pelambres	**50.3**	51.9
- Centinela concentrates	**35.3**	58.5
- Centinela cathodes	**6.0**	6.7
- Antucoya	**6.2**	6.0
Gold		
- Los Pelambres	**83.5**	75.4
- Centinela concentrates	**323.4**	238.4
Molybdenum		
- Los Pelambres	**373.2**	291.4
- Centinela concentrates	**131.0**	100.8
Silver		
- Los Pelambres	**35.7**	32.5
- Centinela concentrates	**34.4**	24.7
Total Mining	**6,128.6**	5,668.6
Transport division	**195.9**	193.4
	6,324.5	5,862.0

Revenue by location of customer

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Europe		
- United Kingdom	**22.8**	71.0
- Switzerland	**386.5**	753.6
- Spain	**-**	1.0
- Germany	**200.0**	140.0
- Rest of Europe	**89.9**	96.5
Latin America		
- Chile	**399.5**	369.1
- Rest of Latin America	**133.0**	179.7
North America		
- United States	**441.7**	312.3
Asia Pacific		
- Japan	**1,989.6**	1,668.6
- China	**1,417.3**	1,072.0
- Singapore	**450.2**	423.8
- South Korea	**391.1**	332.2
- Hong Kong	**204.7**	178.2
- Rest of Asia	**198.2**	264.0
	6,324.5	5,862.0

Information about major customers

In the year ended 31 December 2023, the Group´s mining revenue included $1,081.0 million related to one large customer that individually accounted for more than 10% of the Group’s revenue (year ended 31 December 2022 – one large customer representing $785.5 million).

Non-current assets by location of asset

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
- Chile	**14,017.3**	12,786.1
- Other	**9.5**	10.1
	14,026.8	12,796.2

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Non-current assets per the balance sheet	**14,455.9**	13,016.2
The above amounts reflect non-current assets excluding;		
- Deferred tax assets	(72.0)	(78.5)
- Trade and other receivables	(68.5)	(51.0)
- Equity investments	(288.6)	(90.5)
Total non-current assets excluding the above	**(429.1)**	(220.0)
Non-current assets by location of asset	**14,026.8**	12,796.2

6. Group Revenue

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

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

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

The total revenue from contracts with customers and the impact of provisional pricing adjustments in respect of concentrate and cathode sales is as follows:

	Year ended 31.12.2023	Year ended 31.12.2022
	$m	$m
Revenue from contracts with customers		
Sale of products	**6,016.2**	5,671.2
Provision of shipping services associated with the sale of products [1]	**97.8**	123.1
Transport division [2]	**195.9**	193.4
Provisional pricing adjustments in respect of copper, gold and molybdenum	**14.6**	(125.7)
Total revenue	**6,324.5**	5,862.0

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

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

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

The following tables set out the impact of provisional pricing adjustments, derivative commodity instruments and treatment and refining charges for the more significant products. The revenue from these products, along with the revenue from other products and services, is reconciled to total revenue in Note 5(b).

For the year ended 31 December 2023

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally priced sales of products	**2,465.4**	**1,363.1**	**689.5**	**663.9**	**79.2**	**319.3**	**455.4**	**161.1**
Revenue from freight services	**50.3**	**35.3**	**6.0**	**6.2**	**-**	**-**	**-**	**-**
	2,515.7	**1,398.4**	**695.5**	**670.1**	**79.2**	**319.3**	**455.4**	**161.1**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	**(38.0)**	**(19.9)**	**(0.8)**	**(0.8)**	**-**	**(2.7)**	**(12.6)**	**(7.6)**
Settlement of sales invoiced in the previous year	**90.9**	**52.9**	**10.3**	**7.7**	**2.9**	**1.0**	**40.0**	**15.9**
Total effect of adjustments to previous year invoices in the current year	**52.9**	**33.0**	**9.5**	**6.9**	**2.9**	**(1.7)**	**27.4**	**8.3**
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	**(52.2)**	**(19.0)**	**(6.7)**	**(4.9)**	**1.5**	**3.9**	**(84.1)**	**(27.3)**
Mark-to-market adjustments at the end of the current year	**45.1**	**16.2**	**0.3**	**0.2**	**-**	**2.6**	**(1.0)**	**(0.4)**
Total effect of adjustments to current year invoices	**(7.1)**	**(2.8)**	**(6.4)**	**(4.7)**	**1.5**	**6.5**	**(85.1)**	**(27.7)**
Total pricing adjustments	**45.8**	**30.2**	**3.1**	**2.2**	**4.4**	**4.8**	**(57.7)**	**(19.4)**
Realised losses on commodity derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue before deducting treatment & refining charges	**2,561.5**	**1,428.6**	**698.6**	**672.3**	**83.6**	**324.1**	**397.7**	**141.7**
Treatment and refining charges	**(130.1)**	**(83.5)**	**-**	**-**	**(0.1)**	**(0.7)**	**(24.5)**	**(10.7)**
Revenue net of tolling charges	**2,431.4**	**1,345.1**	**698.6**	**672.3**	**83.5**	**323.4**	**373.2**	**131.0**

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

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

For the year ended 31 December 2022

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally priced sales of products	**2,313.7**	**1,231.8**	**851.8**	**710.6**	**75.1**	**235.9**	**281.3**	**98.5**
Revenue from freight services	**51.9**	**58.5**	**6.7**	**6.0**	**-**	**-**	**-**	**-**
	2,365.6	**1,290.3**	**858.5**	**716.6**	**75.1**	**235.9**	**281.3**	**98.5**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	**(12.0)**	**(5.2)**	**(0.3)**	**(0.8)**	**-**	**(0.3)**	**5.6**	**0.7**
Settlement of sales invoiced in the previous year	**10.7**	**23.3**	**0.5**	**1.0**	**-**	**3.6**	**(4.1)**	**(0.6)**
Total effect of adjustments to previous year invoices in the current year	**(1.3)**	**18.1**	**0.2**	**0.2**	**-**	**3.3**	**1.5**	**0.1**
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	**(155.3)**	**(68.7)**	**(8.4)**	**(14.1)**	**0.4**	**(2.9)**	**16.5**	**4.0**
Mark-to-market adjustments at the end of the current year	**38.0**	**19.9**	**0.8**	**0.8**	**-**	**2.7**	**12.6**	**7.6**
Total effect of adjustments to current year invoices	**(117.3)**	**(48.8)**	**(7.6)**	**(13.3)**	**0.4**	**(0.2)**	**29.1**	**11.6**
Total pricing adjustments	**(118.6)**	**(30.7)**	**(7.4)**	**(13.1)**	**0.4**	**3.1**	**30.6**	**11.7**
Realised losses on commodity derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Revenue before deducting treatment & refining charges	**2,247.0**	**1,259.6**	**851.1**	**703.5**	**75.5**	**239.0**	**311.9**	**110.2**
Treatment and refining charges	**(87.4)**	**(68.4)**	**-**	**-**	**(0.1)**	**(0.6)**	**(20.5)**	**(9.4)**
Revenue net of tolling charges	**2,159.6**	**1,191.2**	**851.1**	**703.5**	**75.4**	**238.4**	**291.4**	**100.8**

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

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

(i) ***Copper concentrate***

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

		At 31.12.2023	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**181,400**	179,000
Average mark-to-market price	$/lb	**3.87**	3.80
Average provisional invoice price	$/lb	**3.72**	3.65

(ii) Copper cathodes

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

		At 31.12.2023	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**16,400**	22,700
Average mark-to-market price	$/lb	**3.85**	3.80
Average provisional invoice price	$/lb	**3.84**	3.77

(iii) Gold in concentrate

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

		At 31.12.2023	At 31.12.2022
Sales provisionally priced at the balance sheet date	Ounces	**32,400**	31,000
Average mark-to-market price	$/oz	**2,072**	1,828
Average provisional invoice price	$/oz	**1,992**	1,742

(iv) Molybdenum concentrate

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

		At 31.12.2023	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**2,600**	2,500
Average mark-to-market price	$/lb	**18.50**	26.10
Average provisional invoice price	$/lb	**18.80**	22.20

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

	Effect on debtors of year end mark-to-market adjustments	
	Year ended 31.12.2023	Year ended 31.12.2022
	$m	$m
Los Pelambres - copper concentrate	**45.1**	38.0
Los Pelambres - molybdenum concentrate	**(1.0)**	12.6
Centinela - copper concentrate	**16.2**	19.9
Centinela - molybdenum concentrate	**(0.4)**	7.6
Centinela - gold in concentrate	**2.6**	2.7
Centinela - copper cathodes	**0.3**	0.8
Antucoya - copper cathodes	**0.2**	0.8
	63.0	82.4

7. Financial instruments and financial risk management

a) Categories of financial instruments

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

	For the year ended 31.12.2023			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Equity investments	-	288.6	-	**288.6**
Trade and other receivables	916.5	-	157.1	**1,073.6**
Other financial assets	457.2	-	-	**457.2**
Cash and cash equivalents	1.1	-	643.6	**644.7**
Liquid investments	2,274.7	-	-	**2,274.7**
	3,649.5	**288.6**	**800.7**	**4,738.8**
Financial liabilities				
Trade and other payables	-	-	(1,154.3)	**(1,154.3)**
Borrowings and leases	-	-	(4,079.2)	**(4,079.2)**
	-	**-**	**(5,233.5)**	**(5,233.5)**

	For the year ended 31.12.2022			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Equity investments	-	90.5	-	**90.5**
Trade and other receivables	897.2	-	1,047.5	**1,944.7**
Cash and cash equivalents	8.5	-	801.9	**810.4**
Liquid investments	1,580.8	-	-	**1,580.8**
	2,486.5	**90.5**	**1,849.4**	**4,426.4**
Financial liabilities				
Trade and other payables	-	-	(1,067.3)	**(1,067.3)**
Borrowings and leases	-	-	(3,277.0)	**(3,277.0)**
	-	**-**	**(4,344.3)**	**(4,344.3)**

The fair value of the fixed rate bonds included within the "Borrowings and leases" category was $908.3 million at 31 December 2023 compared with its carrying value of $986.8 million. The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

The Group has the following financial instruments:

	Year ended 31.12.2023	Year ended 31.12.2022
Financial assets		
Trade and other receivables (non-current) per balance sheet	**68.5**	51.0
Trade and other receivables (current) per balance sheet	**1,117.8**	2,087.2
Total trade and other receivables per balance sheet	**1,186.3**	2,138.2
Less: non-financial assets (including prepayments and VAT receivables)	**(112.7)**	(193.5)
Total trade and other receivables (financial assets)	**1,073.6**	1,944.7
Financial liabilities		
Trade and other payables (current) per balance sheet	**(1,171.5)**	(1,079.7)
Trade and other payables (non-current) per balance sheet	**(9.8)**	(8.0)
Total trade and other payables per balance sheet	**(1,181.3)**	(1,087.7)
Less: non-financial liabilities (including VAT payables)	**27.0**	20.4
Total trade and other payables (financial liabilities)	**(1,154.3)**	(1,067.3)

Fair value of financial instruments

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

			For the year ended 31.12.2023	
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (a)	288.6	-	-	**288.6**
Trade and other receivables (b)	-	916.5	-	**916.5**
Other financial assets (c)	-	457.2	-	**457.2**
Cash and cash equivalents (d)	1.1	-	-	**1.1**
Liquid investments (e)	-	2,274.7	-	**2,274.7**
	289.7	3,648.4	-	**3,938.1**

			For the year ended 31.12.2022	
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Equity investments (a)	90.5	-	-	90.5
Trade and other receivables (b)	-	897.2	-	897.2
Cash and cash equivalents (d)	8.5	-	-	8.5
Liquid investments (e)	-	1,580.8	-	1,580.8
	99.0	2,478.0	-	2,577.0

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

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

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

c) The other financial asset relates to an agreement the Group has entered into under which the Group is expected to acquire up to 30 million shares in Compañia de Minas Buenaventura S.A.A. ("Buenaventura") (as detailed in Note 18). As at 31 December 2023, an "other financial asset" balance has been recognised on the balance sheet in respect of the agreement, at its fair value of $457.2 million. A fair value gain of $167.1 million has been recognised during 2023 in respect of this asset. The fair value of the other financial asset has been calculated using observable market data, in particular the share price of Buenaventura as at 29 December 2023 (the last trading day in 2023). These are level 2 inputs. The valuation also assumes that the Group will acquire all 30 million shares and the agreement runs to its scheduled maturity, although this is not considered to be a significant factor in determining the fair value based on the assessed likelihood and impact of an early termination occurring.

d) The element of cash and cash equivalents measured at fair value relates to money market funds, which are valued reflecting market prices at the period end. These are level 1 inputs as described below.

e) Liquid investments are highly liquid current asset investments that are valued reflecting market prices at the period end. These are level 2 inputs as described below.

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

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

The degree to which inputs into the valuation techniques used to measure the financial assets and liabilities are observable and the significance of these inputs in the valuation are considered in determining whether any transfers between levels have occurred. In the year ended 31 December 2023, there were no transfers between levels in the hierarchy.

8. Net finance income/(expense)

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Investment income		
Interest receivable	**43.1**	19.8
Gains on liquid investments held at fair value through profit or loss	**95.0**	20.4
	138.1	40.2
Interest expense		
Interest expense	**(105.6)**	(78.6)
	(105.6)	(78.6)
Other finance items		
Unwinding of discount on provisions	**(15.8)**	(16.9)
Exceptional fair value gain	**167.1**	-
Effects of changes in foreign exchange rates	**12.5**	(12.8)
Preference dividends	**(0.1)**	(0.1)
	163.7	(29.8)
Net finance income/(expense)	**196.2**	(68.2)

During 2023, amounts capitalised and consequently not included within the above table were as follows: $7.9 million at Centinela (year ended 31 December 2022 - $2.0 million) and $104.2 million at Los Pelambres (year ended 31 December 2022 - $47.0 million).
The interest expense shown above includes $10.5 million in respect of leases (2022 - $7.1 million). The interest paid in respect of leases was $9.7million (2022 - $6.0 million)

An exceptional fair value gain of $167.1 million has been recognised in respect of an agreement under which the Group is expected to acquire up to 30 million shares in Compañia de Minas Buenaventura S.A.A., as detailed in Notes 3 and 18.

9. Income tax expense

The tax charge for the period comprised the following:

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Current tax charge		
Corporate tax (principally first category tax in Chile)	**(472.8)**	(340.4)
Mining tax (royalty)	**(109.3)**	(83.9)
Withholding tax	**(4.5)**	(24.5)
Exchange rate	**(0.2)**	-
	(586.8)	(448.8)
Deferred tax		
Corporate tax (principally first category tax in Chile)	**47.1**	(96.5)
Mining tax (royalty)	**(53.5)**	(9.8)
Adjustment to deferred tax attributable to changes in tax rates	**(34.3)**	-
Exceptional Items	**(41.8)**	-
Withholding tax	**3.2**	(48.5)
	(79.3)	(154.8)
Total tax charge (income tax expense)	**(666.1)**	(603.6)

The rate of first category (ie corporate) tax in Chile is 27.0% (2022 – 27.0%).

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile. Withholding tax is levied on remittances of profits from Chile at 35% less first category (ie corporate) tax already paid in respect of the profits to which the remittances relate. The withholding tax charge in the current period reflected a one-off adjustment of $34.7 million to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances.

The Group's mining operations are also subject to a mining tax (royalty). During 2023, production from Los Pelambres, Antucoya, Encuentro (oxides), the Tesoro North East pit and the Run-of-Mine processing at Centinela Cathodes was subject to a rate of between 5–14%, depending on the level of operating profit margin, and production from Centinela Concentrates and the Tesoro Central and Mirador pits at Centinela Cathodes was subject to a rate of 5% of taxable operating profit.

New mining royalty

In August 2023, the new Chilean mining royalty law was approved. The new law took effect from 1 January 2024, replacing the existing specific mining tax. However, companies with tax stability agreements will continue to be governed by their current terms until those agreements expire. The new regime applied to Los Pelambres' and Zaldivar's royalty payments from the start of 2024. Centinela and Antucoya had tax stability agreements which extend beyond that point, and so the new royalty rates will only impact their royalty payments from 2030 onwards for both companies.

The new royalty terms include a 1% ad valorem royalty on copper sales, as well as a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability. The new royalty terms include a cap, establishing that total taxation, which includes corporate income tax, the two components of the new mining royalty, and theoretical tax on dividends, should not exceed a rate of 46.5% (relative to the Mining Operating Margin less the royalty ad-valorem expense).

The impact on the Group's royalty payments starting in 2024 will be subject to various factors, including future revenue and earnings, which will be influenced by parameters such as copper prices, production volumes, and operating costs. A one-off adjustment has been recognized to the deferred tax balances of all of the Group's mining operations as at 31 December 2023, resulting in an increase in the Group's deferred tax liability balance of $34.3 million, along with a corresponding deferred tax expense. The Chilean tax authority has issued definitive interpretations regarding the methodologies for determining and calculating the new royalty amounts. The new administrative interpretation refers to all issues included in the new Royalty Law published in August 2023.

The following table provides a numerical reconciliation between the accounting profit before tax multiplied by the applicable statutory tax rate and the total tax expense (including both current and deferred tax).

	Year ended Excluding exceptional items 31.12.2023 $m	%	Year ended Including exceptional items 31.12.2023 $m	%	Year ended Excluding exceptional items 31.12.2022 $m	%	Year ended Including exceptional items 31.12.2022 $m	%
Profit before tax	**1,798.4**		**1,965.5**		1,614.2		2,558.9	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(485.6)**	**27.0**	**(530.7)**	**27.0**	(435.9)	27.0	(691.0)	27.0
Mining Tax (royalty)	**(109.7)**	**6.1**	**(109.7)**	**5.6**	(94.5)	5.8	(94.5)	3.7
Deduction of mining royalty as an allowable expense in determination of first category tax	**29.5**	**(1.6)**	**29.5**	**(1.5)**	23.1	(1.4)	23.1	(0.9)
Items not deductible from first category tax	**(21.4)**	**1.2**	**(21.4)**	**1.1**	(33.9)	2.1	(33.9)	1.3
Adjustment in respect of prior years	**4.5**	**(0.3)**	**4.5**	**(0.2)**	(2.6)	0.1	(2.6)	0.1
Effect of increase in future royalty tax on deferred tax balances	**(34.3)**	**1.9**	**(34.3)**	**1.7**	-	-	-	-
Withholding tax	**(1.4)**	**0.1**	**(1.4)**	**0.1**	(73.0)	4.6	(73.0)	2.9
Tax effect of (loss)/ profit of associates and joint ventures	**(3.6)**	**0.2**	**(3.6)**	**0.2**	13.0	(0.8)	13.0	(0.5)
Impact of previously unrecognised tax losses on current tax	**(2.3)**	**0.1**	**(2.3)**	**0.1**	0.2	-	0.2	0
Gain on disposal of investment in joint venture	**-**	**-**	**-**	**-**	-	-	255.1	(10.0)
Difference in overseas tax rates	**-**	**-**	**3.3**	**(0.2)**	-	-	-	-
Tax expense and effective tax rate for the Year ended	**(624.3)**	**34.7**	**(666.1)**	**33.9**	(603.6)	37.4	(603.6)	23.6

The effective tax rate items of 34.7% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $80.2 million / 4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the effect of the increase in future royalty tax on deferred tax balances (impact of $34.3 million / 1.9%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $21.4 million / 1.2%), the impact of the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $3.6 million / 0.2%), the impact of unrecognised tax losses (impact of $2.3 million / 0.1%) and the withholding tax relating to the remittance of profits from Chile (impact of $1.4 million / 0.1%), partly offset by adjustments in respect of prior years (impact of $4.5 million / 0.3%).

The impact of the exceptional item on the tax charge including exceptional items was a $41.8 million deferred tax expense. Further details of the exceptional item are set out in Note 18.

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

- The impact of the new Chilean mining royalty as described above.
- The level of future distributions made by the Group's Chilean subsidiaries out of Chile, which could result in increased withholding tax charges. When determining whether it is likely that distributions will be made in the foreseeable future, and what is the appropriate foreseeable future period for this purpose, the Group considers factors such as the predictability of the likely future Group dividends, taking into account the Group's dividend policy and the level of potential volatility of the Group's future earnings, as well as the current level of distributable reserves at the Antofagasta plc entity level. As noted above, the withholding tax charge in the current period reflected a one-off adjustment of $34.7 million to the provision for deferred withholding tax, as a result of an intra-group restructuring of intercompany balances.
- The impact of expenses which are not deductible for Chilean first category tax. Some of these expenses are fixed costs, and so the relative impact of these expenses on the Group's effective tax rate will vary depending on the Group's total profit before tax in a particular year.

OECD Pillar two model rules

The Group falls within the scope of the OECD Pillar two model rules, which will introduce a minimum effective tax rate of 15% for multinational companies. The rules were substantively enacted in the UK in 2023 and will be effective from 1 January 2024. Currently, the Antofagasta Group operates in Chile and is subject to the Chilean first category (corporate) tax rate of 27%, plus withholding taxes on any profits distributed from Chile. The Group is evaluating the potential future impact of these rules on its tax expense. However, based on the Group's current position, it does not anticipate any effect on its 2024 tax expense. This has included analysis of the Group's detailed financial information in respect of 2021. There have not been changes to the Group's position or results subsequent to that date which would significantly impact that analysis. The Group has applied the amendment to IAS 12, which requires that companies do not recognise deferred tax balances in relation to the Pillar two model rules.

Minera Centinela tax claims and queries

In the context of an administrative review, the Chilean Internal Revenue Service (IRS) has raised claims and queries with Minera Centinela in respect of approximately $85 million of tax deductions recognised in relation to the amortisation of start-up costs relating to the Encuentro pit. The Group considers the tax treatment adopted by Minera Centinela to be correct and appropriate, has robust arguments to support its position, and expects its position to be upheld by the review processes. If the Group is unsuccessful in supporting its position, this amount (plus potential interest and penalties) would fall due.

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

10. Earnings per share

	Year ended 31.12.2023 $m	Year ended 31.12.2022 $m
Profit for the period attributable to owners of the parent (excluding exceptional items)	**709.8**	588.3
Exceptional Items	**125.3**	944.7
Profit for the period attributable to owners of the Parent (including exceptional items) from operations	**835.1**	1,533.0

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

	Year ended 31.12.2023 US cent	Year ended 31.12.2022 US cent
Basic earnings per share (excluding exceptional items) from operations	**72.0**	59.7
Basic earnings per share (exceptional items) from operations	**12.7**	95.8
Basic earnings per share (including exceptional items) from operations	**84.7**	155.5

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2022: 985,856,695) ordinary shares.

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

Reconciliation of basic earnings per share from continuing operations:

		Year ended 31.12.2023	Year ended 31.12.2022
Profit for the year attributable to owners of the parent	$m	**835.1**	1,533.0
Profit from continuing operations attributable to owners of the parent		**835.1**	1,533.0
Ordinary shares	number	**985,856,695**	985,856,695
Basic earnings per share from continuing operations		**84.7**	155.5

11. Dividends

The Board has recommended a final dividend of 24.3 cents per ordinary share or $239.6 million in total (2022 – 50.5 cents per ordinary share or $497.9 million in total). The interim dividend of 11.7 cents per ordinary share or $115.3 million in total was paid on 30 September 2023 (2022 interim dividend of 9.2 cents per ordinary share or $90.7 million in total). This gives total dividends proposed in relation to 2023 (including the interim dividend) of 36.0 cents per share or $354.9 million in total (2022 – 59.7 cents per share or $588.3 million in total).

Dividends per share actually paid in the year and recognised as a deduction from net equity under IFRS were 62.2 cents per ordinary share or $613.2 million in total (2022 – 128.1 cents per ordinary share or $1,262.9 million in total) being the interim dividend for the year and the final dividend proposed in respect of the previous year.

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

12. Intangible assets

The intangible asset relates to Twin Metals' mining licences assets (included within the corporate segment). A full impairment provision was recognised in respect of the $150.1 million cost of this asset as at 31 December 2021, as a result of the US federal government's cancellation of certain of Twin Metals' mining leases. Twin Metals believes it has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group is pursuing validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, a full impairment provision continues to be recognised in respect of the carrying value of the asset.

	Cost	**Accumulated depreciation and impairment**	**Net book value**
	$m	**$m**	**$m**
At 1 January 2021	150.1	-	150.1
Provision against carrying value	-	(150.1)	(150.1)
At 31 December 2021	**150.1**	**(150.1)**	**-**
At 31 December 2022	**150.1**	**(150.1)**	**-**
At 31 December 2023	**150.1**	**(150.1)**	**-**

13. Property, plant and equipment

	Mining	Railway and other transport	At 31.12.2023	At 31.12.2022
	$m	$m	$m	$m
Balance at the beginning of the year	11,247.8	295.7	**11,543.5**	10,538.5
Additions	2,256.4	51.5	**2,307.9**	2,002.0
Additions – depreciation capitalised	90.3	-	**90.3**	73.3
Reclassifications	-	(0.4)	**(0.4)**	-
Capitalisation of interest	112.1	-	**112.1**	49.0
Adjustment to capitalised decommissioning provisions	(32.0)	0.1	**(31.9)**	173.8
Depreciation expensed in the year	(1,179.6)	(31.7)	**(1,211.3)**	(1,141.1)
Depreciation capitalised in PP&E	(90.3)	-	**(90.3)**	(73.3)
Net effect of depreciation capitalised in inventories	(41.2)	-	**(41.2)**	(71.1)
Asset disposals	-	-	**-**	(7.6)
Balance at the end of the year	12,363.5	315.2	**12,678.7**	11,543.5

During the year ended 31 December 2023, the net effect of depreciation capitalised within property, plant and equipment or inventories in respect of assets relating to Los Pelambres, Centinela and Antucoya is $131.5 million (31 December 2022 – $144.4 million), and has accordingly been excluded from the depreciation charge recorded in the income statement as shown in Note 5.

At 31 December 2023, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $982.7 million (31 December 2022 - $845.1 million).

Depreciation capitalised in property, plant and equipment of $90.3 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (31 December 2022 – $73.3 million).

14. Disposal of investment in Tethyan joint venture (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its 50% interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation (“Barrick”) in respect of the Reko Diq project in Pakistan. Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. The joint venture project was held via the Australian entity Atacama Copper Pty Limited (“Atacama”). The disposal proceeds, which together with accrued interest up to 15 December 2022 totalled US$946.0 million, were held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick agreed that the proceeds of this account, including all further interest received, less any Australian tax arising and working capital and other adjustments, would be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama was seeking a binding private ruling from the Australian Tax Office to confirm that the disposal proceeds and their distribution to the Antofagasta Group would not be subject to Australian tax. In May 2023, Atacama received the binding private ruling confirming these points. Antofagasta then requested that the disposal proceeds including interest be distributed to the Antofagasta Group, resulting in a total distribution of $956.3 million by Atacama to the Antofagasta Group in May 2023.

15. Investment in associates and joint ventures

	ATI[i]	Minera Zaldívar[ii]	At 31.12.2023	At 31.12.2022
	$m	$m	$m	$m
Balance at the beginning of the year	7.3	897.3	**904.6**	905.8
Obligations on behalf of JV and associates at the beginning of the year	-	-	-	(0.6)
Capital contribution	0.6	-	0.6	-
Share of profit/(loss) before tax	2.6	(1.2)	**1.4**	70.6
Share of tax	(0.7)	(14.2)	**(14.9)**	(22.5)
Share of (loss)/profit from JV and associates	1.9	(15.4)	**(13.5)**	48.1
Share of other comprehensive losses of associates and joint ventures, net of tax	-	(0.6)	**(0.6)**	-
Dividends received	-	-	-	(50.0)
Disposal of investment in JV	-	-	-	1.3
Balance at the end of the year	9.8	881.3	**891.1**	904.6

	ATI[i]	Minera Zaldívar[ii]	At 31.12.2023	At 31.12.2022
	$m	$m	$m	$m
Net share of (loss)/profit of associates and joint ventures	1.9	(15.4)	**(13.5)**	48.1

The investments which are included in the $891.1 million balance at 31 December 2023 are set out below:

Investment in associates

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

Investment in joint ventures

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

Summarised financial information for the associates at December 2023 is as follows:

	ATI 31.12.2023	ATI 31.12.2022
	$m	$m
Cash and cash equivalents	**5.9**	0.4
Current assets	**21.6**	18.6
Non-current assets	**84.3**	91.8
Current liabilities	**(13.6)**	(19.3)
Non-current liabilities	**(62.1)**	(69.5)
Revenue	**65.9**	55.2
Profit from continuing operations	**6.2**	5.1
Total comprehensive income	**6.2**	5.1

Summarised financial information for the joint ventures at December 2023 is as follows:

	Minera Zaldívar	Minera Zaldívar
	31.12.2023	31.12.2022
	$m	$m
Cash and cash equivalents	**38.4**	70.1
Current assets[1]	**664.5**	661.8
Non-current assets	**1,628.6**	1,658.6
Current financial liabilities (excl. trade, other payables and provisions)	**(57.8)**	(53.2)
Current liabilities	**(171.3)**	(159.3)
Non-current financial liabilities (excl. trade, other payables and provisions)	**(10.8)**	(68.3)
Non-current liabilities	**(230.0)**	(203.3)
Revenue	**718.6**	783.4
Depreciation	**(164.4)**	(149.2)
Interest income	**2.0**	1.5
Interest expense	**(11.3)**	(0.8)
Income tax expense or income	**(28.4)**	(43.9)
(Loss)/profit after tax from continuing operations	**(2.1)**	94.6
Total comprehensive (expense)/income	**(2.1)**	94.6

[1] The current assets includes cash and cash equivalents.

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

16. Equity investments

	At 31.12.2023	At 31.12.2022
	$m	$m
Balance at the beginning of the year	**90.5**	8.7
Acquisition	**60.7**	66.5
Movements in fair value[1]	**137.0**	15.8
Foreign currency exchange difference	**0.4**	(0.5)
Balance at the end of the year	**288.6**	90.5

[1] A deferred tax expense of $37.0 million has been recognised in respect of the movements in the fair value of equity investments (pre-tax gain of $137.0 million), resulting in a post-tax gain of $100.0 million (see Note 22).

Equity investments represent those investments which are not subsidiaries, associates or joint ventures and are not held for trading purposes. The fair value of all equity investments are based on quoted market prices.

Of the total equity investment balance at 31 December 2023, $275.2 million relates to a holding of approximately 18.2 million shares in Compañia de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 7% of Buenaventura's issued share capital. As detailed in Note 3, the Group has entered into an agreement under which it is expected to acquire an additional holding of up to 30 million shares in Buenaventura, representing approximately 12% of Buenaventura's issued share capital.

17. Inventories

	At 31.12.2023	At 31.12.2022
	$m	$m
Current:		
Raw materials and consumables	**231.0**	221.4
Work in progress	**375.4**	404.9
Finished goods	**64.6**	81.8
	671.0	708.1
Non-current:		
Work in progress	**457.0**	347.0
Total current and non-current inventories	**1,128.0**	1,055.1

During 2023, net realisable value ("NRV") adjustments of $6.0 million have been recognised (2022: nil). Non-current work-in-progress represents inventory expected to be processed more than 12 months after the balance sheet date.

18. Other financial asset

Compañia de Minas Buenaventura S.A.A.

The Group has entered into an agreement under which it is expected to acquire up to an additional 30 million shares in Compañia de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 12% of Buenaventura's issued share capital. Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru. As at 31 December 2023, an "other financial asset" balance has been recognised on the balance sheet in respect of the agreement, at its fair value of $457.2 million. A fair value gain of $167.1 million has been recognised during 2023 in respect of this asset. As detailed in Note 16, as at 31 December 2023 the Group held an existing holding of approximately 18.2 million shares in Buenaventura, representing approximately 7% of Buenaventura's issued share capital.

19. Borrowings and other financial liabilities

		At 31.12.2023	At 31.12.2022
		$m	$m
Los Pelambres			
Senior loan	(i)	**(2,067.2)**	(1,470.5)
Leases		**(45.2)**	(55.3)
Centinela			
Senior loan	(ii)	**(431.3)**	(276.7)
Leases		**(142.8)**	(35.2)
Antucoya			
Senior loan	(iii)	**(174.1)**	(223.5)
Subordinated debt	(iv)	**(187.6)**	(171.5)
Leases	(v)	**(17.4)**	(16.5)
Corporate and other items			
Bonds	(vi)	**(986.8)**	(985.3)
Leases	(vii)	**(18.4)**	(23.1)
Railway and other transport services			
Senior loan	(viii)	**(5.0)**	(15.3)
Leases		**(0.9)**	(1.6)
Preference shares	(ix)	**(2.5)**	(2.5)
Total		**(4,079.2)**	(3,277.0)

(i)The senior loan at Los Pelambres represents:

- a $1,280 million US dollar denominated syndicated loan divided in three tranches. The first tranche has a remaining duration of 2 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.48%. The second tranche has a remaining duration of 5 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.28%. The third tranche has a remaining duration of 4.5 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.53%. The loans are subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.
- three US dollar denominated senior loans issued in December 2023 for a total amount of $810 million. The first loan for $200 million is a 3 years bullet and an interest rate of Term SOFR six-month rate plus 1.60%. The second loan is also a bullet for $200 million has a remaining duration of 5 years and an interest rate of Term SOFR six-month rate plus 1.69%. And the third loan for $410 million has a remaining duration of 5 years, amortizing, and an interest rate of Term SOFR six-month rate plus 1.70%.

(ii) Centinela has a US dollar denominated senior loan with an amount outstanding of $167 million with a duration of 1.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 1.38%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained. In July 2023, Centinela issued two short term loans for a total amount of $265 million and a remaining duration of 0.5 years.

(iii) The senior loan at Antucoya represents a US dollar denominated syndicated loan with an amount outstanding of US$175 million. This loan has a remaining duration of 3.5 years and has an interest rate of Term SOFR six-month rate plus 1.40%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.

(iv) Subordinated debt at Antucoya is US dollar denominated, provided to Antucoya by Marubeni Corporate with a remaining duration of 3.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 4.08%. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.

(v) Financial Leases at Antucoya are denominated in US dollars with an average interest rate of Term SOFR six-month rate plus 2.4% and a remaining duration of 0.5 years.

(vi) Antofagasta plc in October 2020 issued a corporate bond for $500 million with a 10 years tenor with a base spread of Treasuries plus 165 bps and a coupon of 2.375%. In May 2022, Antofagasta plc issued a new corporate bond for $500 million with a 10 years tenor with a base spread of Treasuries plus 287.5 bps and a coupon of 5.625%.

(vii) Financial Leases at Corporate and other items are denominated in Unidades de Fomento (ie inflation-linked Chilean pesos) and have a remaining duration of 3.0 years and are at fixed rates with an average interest rate of 5.2%.

(viii) Short-term loans at The Transport division are US dollar denominated, with an outstanding amount of $5 million and remaining duration of 0.1 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 1.49%.

(ix) The preference shares are Sterling-denominated and issued by Antofagasta plc. There are 2 million shares of £1 each authorised, issued and fully paid. The preference shares are non-redeemable and are entitled to a fixed cumulative dividend of 5% per annum. On winding up, they are entitled to repayment and any arrears of dividend in priority to ordinary shareholders but are not entitled to participate further in any surplus. Each preference share carries 100 votes in any general meeting of the Company.

	At 31.12.2023	At 31.12.2022
	$m	$m
Short-term borrowings	**(901.9)**	(432.5)
Medium and long-term borrowings	**(3,177.3)**	(2,844.5)
Total	**(4,079.2)**	(3,277.0)

At 31 December 2023, $1,219.0 million (31 December 2022 - $1,129.0 million) of the borrowings has fixed rate interest and $2,860.2 million (December 2022 - $2,148.0 million) has floating rate interest.

On 30 December, 2022, Antofagasta plc agreed a revolving credit facility “RCF” of $500.0 million. This revolving credit facility has a term of three years, which expires on 30 December, 2025.

The facility remained undrawn throughout the year 2023.

	Facility available		**Drawn**		**Undrawn**	
	2023	2022	**2023**	2022	**2023**	2022
	$m	$m	**$m**	$m	**$m**	$m
Revolving credit facility	(500.0)	(500.0)	-	-	(500.0)	(500.0)

20. Post-employment benefit obligations

	At 31.12.2023	At 31.12.2022
	$m	$m
Balance at the beginning of the year	(137.3)	(107.5)
Current service cost	(25.7)	(19.1)
Unwinding of discount on provisions	(7.2)	(6.8)
Actuarial gains/(losses)	10.7	(18.1)
Paid in the year	16.0	12.7
Foreign currency exchange difference	3.6	1.5
Balance at the end of the year	**(139.9)**	**(137.3)**

The post-employment benefit obligation relates to the provision for severance indemnities which are payable when an employment contract comes to an end, in accordance with normal employment practice in Chile and other countries in which the Group operates. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary.

21. Decommissioning and restoration provisions

	At 31.12.2023	At 31.12.2022
	$m	$m
Balance at the beginning of the year	(488.2)	(336.1)
Charge to operating profit in the year	(12.8)	(15.4)
Unwinding of discount to net interest in the year	(10.2)	(10.1)
Adjustment to provision discount rates	1.6	(1.6)
Capitalised adjustment to provision	31.9	(173.8)
Utilised in the year	36.8	49.7
Foreign currency exchange difference	(0.2)	(0.9)
Balance at the end of the year	**(441.1)**	(488.2)

	At 31.12.2023	At 31.12.2022
	$m	$m
Short-term provisions	(15.2)	(33.2)
Long-term provisions	(425.9)	(455.0)
Total	**(441.1)**	(488.2)

Decommissioning and restoration costs relate to the Group's mining operations. Costs are estimated on the basis of a formal closure plan and are subject to regular independent formal review by Sernageomin, the Chilean government agency which regulates the mining industry in Chile. During 2023, the Centinela provisions were updated to reflect new plans approved by Sernageomin during the year. The provision balance reflects the present value of the forecast future cash flows expected to be incurred in line with the closure plans, discounted using Chilean real interest rates with durations corresponding with the timings of the closure activities. At 31 December 2023, the real discount rates ranged from 2.29% to 2.41% (31 December 2022: 1.67% to 1.73%).

It is estimated that the provision will be utilised from 2024 until 2066 based on current mine plans, with approximately 16% of the total provision balance expected to be utilised between 2024 and 2033, approximately 48% between 2034 and 2043, approximately 9% between 2044 and 2053 and approximately 27% between 2054 and 2066.

Given the long-term nature of these balances, it is possible that future climate risks could impact the appropriate amount of these provisions, both in terms of the nature of the decommissioning and site rehabilitation activities that are required, or the costs of undertaking those activities. In its Annual Report and Accounts, the Group discloses in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process included scenario analyses assessing the impact of transition and physical risks. As a simple high-level sensitivity, we have considered whether the level of estimated costs relating to the potential future risks identified under the scenario analysis could indicate a general level of future cost increases as a consequence of climate risks which could indicate a significant potential impact on these provision balances. This analysis did not indicate a significant potential impact on the decommissioning and restoration provision balances. However, more detailed specific analysis of the potential impacts of climate risks in future periods could result in adjustments to these provision balances. When future updates to the closure plans are prepared and submitted to Sernageomin for review and approval, it is possible that additional consideration of potential climate risk impacts may need to be incorporated into the plan assumptions. In addition, Sernageomin may introduce new regulations or guidance in respect of climate risks which may need to be addressed in future updates to the Group's closure plans.

22. Deferred tax assets and liabilities

	At 31.12.2023	At 31.12.2022
	$m	$m
Net deferred tax position at the beginning of the year	**(1,464.8)**	(1,315.7)
Charge to tax on profit in year	**(37.5)**	(154.8)
Deferred tax recognised directly in equity[1]	**(40.8)**	5.7
Tax on exceptional items [2]	**(41.8)**	-
Exchange differences	**0.3**	-
Net deferred tax position at the end of the year	**(1,584.6)**	(1,464.8)
Analysed between:		
Net deferred tax assets	**72.0**	78.5
Net deferred tax liabilities	**(1,656.6)**	(1,543.3)
Net deferred tax position	**(1,584.6)**	(1,464.8)

[1] The $40.8 million of deferred tax recognised directly in equity relates to a $37.0m deferred tax expense in respect of the movements in the fair value of equity investments (see Note 16) and a $3.8 million deferred tax expense in respect of actuarial gains on defined benefit plans.
[2] A deferred tax expense of $41.8 million has been recognised in respect of the exceptional fair value gain of $167.1 million in respect of the agreement under which the Group is expected to acquire up to an additional 30 million shares in Compañia de Minas Buenaventura S.A.A. (see Note 3).

The $72.0 million net deferred tax asset balance (2022 - $78.5 million) relates to the total deferred tax position of those individual Group entities which have a net deferred tax asset position. In general, these net deferred tax asset positions reflect tax losses, which in some cases are partly offset by deferred tax liabilities in respect of accelerated capital allowances and other temporary differences.

At 31 December 2023, the Group had unused tax losses associated with Chilean entities (predominantly Antucoya) of $523.3 million (2022 – $460.3 million) available for offset against future profits. Generally under Chilean tax law, most tax losses can be carried forward indefinitely. A deferred tax asset of $141.2 million has been recognised in respect of 100% of these losses as at 31 December 2023 (31 December 2022 – $124.5 million). In addition, at 31 December 2023, the Group had unused tax losses associated with entities outside of Chile (predominantly in respect of the Twin Metals project) of $496.8 million (2022 – $427.0 million)). A portion of the Twin Metals tax losses expire in the period from 2030 – 2037, and the remainder can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these tax losses, reflecting the fact that the relevant entities have generated taxable losses in recent years.

At 31 December 2023, deferred withholding tax liabilities of $66.6 million have been recognised (31 December 2022 – $71.6 million) which relate to undistributed earnings of subsidiaries where it is considered likely that the corresponding profits will be distributed in the foreseeable future. The value of the remaining undistributed earnings of subsidiaries, for which deferred tax liabilities have not been recognised, because the Group is in a position to control the timing of the distributions and it is likely that distributions will not be made in the foreseeable future, was $7,101.1 million (31 December 2022 – $6,430.4 million). If deferred withholding tax liabilities were recognised in respect of all of these remaining undistributed earnings of subsidiaries this would result in an additional deferred tax liability and expense of approximately $1,314.9 million (31 December 2022 – $1,076.5 million), depending on the application of tax credits which may be available in particular circumstances.

Temporary differences arising in connection with interests in associates are insignificant.

The deferred tax balance of $1,584.6 million (2022 – $1,464.8 million) includes $1,495.2 million (2022 – $1,404.7 million) due in more than one year.

All amounts are shown as non-current on the face of the balance sheet as required by IAS 12 Income Taxes.

23. Share capital and share premium

There was no change in share capital or share premium in the year ended 2023 or 2022. Details are shown in the Consolidated Statement of Changes in Equity.

24. Other reserves and retained earnings

	At 31.12.2023	At 31.12.2022
	$m	$m
Equity investment revaluation reserve (1)		
At 1 January	**8.4**	(7.4)
Gains on equity investment	**100.0**	15.8
At 31 December	**108.4**	8.4
Foreign currency translation reserve (2)		
At 1 January	**(3.4)**	(3.0)
Currency translation adjustment	**(0.5)**	(0.4)
At 31 December	**(3.9)**	(3.4)
Total other reserves per balance sheet	**104.5**	5.0
Retained earnings		
At 1 January	**8,333.5**	8,071.6
Parent and subsidiaries' profit for the year	**848.6**	1,484.9
Equity accounted units' (loss)/profit after tax for the year	**(13.5)**	48.1
Actuarial gains/(losses) (3)	**3.0**	(8.2)
Total comprehensive income for the year	**838.1**	1,524.8
Dividends paid	**(613.2)**	(1,262.9)
At 31 December	**8,558.4**	8,333.5

(1) The equity investment revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 16.
(2) Exchange differences arising on the translation of the Group's net investment in foreign-controlled companies are taken to the foreign currency translation reserve.
(3) Actuarial gains or losses relate to long-term employee benefits, as described in Note 20.

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

	At 31.12.2023	At 31.12.2022
	$m	$m
Profit before tax	**1,965.5**	2,558.9
Depreciation	**1,211.3**	1,141.1
Net loss on disposals	**-**	2.1
Net finance (income)/expense - excluding exceptional items	**(29.1)**	68.2
Share of loss/(profit) of associates and joint ventures	**13.5**	(48.1)
Exceptional fair value gain in respect of other financial asset	**(167.1)**	-
Gain on disposal of investment in joint venture	**-**	(944.7)
Increase in inventories	**(31.6)**	(180.7)
(Increase)/decrease in debtors	**(57.9)**	27.0
Increase in creditors	**137.0**	141.0
Decrease in provisions	**(14.5)**	(26.5)
Cash flow generated from operations	**3,027.1**	2,738.3

26. Analysis of changes in net debt

	At 31.12.2022 $m	Cash flows $m	Fair value gains $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Other $m	Reclassification $m	Foreign exchange $m	**At 31.12.2023 $m**
Cash and cash equivalents	810.4	(162.0)	-	-	-	-	-	-	(3.7)	**644.7**
Liquid investments	1,580.8	674.2	19.7	-	-	-	-	-	-	**2,274.7**
Total	2,391.2	512.2	19.7	-	-	-	-	-	(3.7)	**2,919.4**
Borrowings due within one year	(377.4)	116.7	-	-	-	-	-	(533.4)	-	**(794.1)**
Borrowings due after one year	(2,765.4)	(797.2)	-	-	(12.7)	(16.0)	-	533.4	-	**(3,057.9)**
Leases due within one year	(55.1)	81.2	-	-	-	-	-	(133.9)	-	**(107.8)**
Leases due after one year	(76.6)	-	-	(178.6)	-	-	-	133.9	4.4	**(116.9)**
Preference shares	(2.5)	-	-	-	-	-	-	-	-	**(2.5)**
Total borrowings	(3,277.0)	(599.3)	-	(178.6)	(12.7)	(16.0)	-	-	4.4	**(4,079.2)**
Net debt	(885.8)	(87.1)	19.7	(178.6)	(12.7)	(16.0)	-	-	0.7	**(1,159.8)**

Net debt

Net debt at the end of each period was as follows:

	At 31.12.2023	At 31.12.2022
	$m	$m
Cash, cash equivalents and liquid investments	**2,919.4**	2,391.2
Total borrowings and other financial liabilities	**(4,079.2)**	(3,277.0)
Net debt	**(1,159.8)**	(885.8)

27. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates and joint ventures are disclosed below.

The transactions which Group companies entered into with related parties who are not members of the Group are set out below. There are no guarantees given or received and no provisions for doubtful debts related to the amount of outstanding balances.

a) Quiñenco SA

Quiñenco SA ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and two Directors of the Company, Jean-Paul Luksic and Andronico Luksic, who are also directors of Quiñenco.
The following transactions took place between the Group and the Quiñenco group of companies, all of which were on normal commercial terms at market rates:

- the Group earned interest income of $0.9 million (2022 – $0.8 million) during the year on investments with BanChile AGF, a subsidiary of Quiñenco. Investment balances at the end of the year were nil (2022: nil).
- the Group made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of $337.8 million (2022 – $309.9 million). The balance due to ENEX SA at the end of the year was $13.3 million (2022 – $28.6 million).
- the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, for $9.0 million (2022 – $12.7 million). The balance due to Hapag Lloyd at the end of the year was nil (2022 –$0.3 million).
- the Group made purchases of technology services from ARTIKOS CHILE SA, a subsidiary of Quiñenco, of $0.2 million (2022 – $0.2 million). The balance due to ARTIKOS CHILE SA at the end of the year was nil (2022: nil).

b) Compañía de Inversiones Adriático SA

In 2023, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family have an interest, at a cost of $0.8 million (2022 - $0.4 million)

c) Antomin 2 Limited and Antomin Investors Limited

The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. Mineralinvest is owned by the E. Abaroa Foundation, in which members of the Luksic family have an interest. During 2023, the Group incurred $0.1 million (2022- $0.1 million) of exploration costs at these properties.

d) Tethyan Copper Company Limited (Reko Diq project)

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan, which is therefore no longer recognised as a joint venture by the Group. The group contributed nil (2022: nil) to Tethyan during 2023.

e) Compañía Minera Zaldívar SpA

The Group has a 50% interest in Zaldívar, which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar. The balance due from Zaldívar to group companies at the end of the year was $6.7 million (2022 – $6.7 million). During 2023, Zaldívar declared dividends of nil to the Group (2022 - $50.0 million).

28. Litigation and contingent liabilities

The Group is subject from time to time to legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. The Group cannot predict the outcome of individual legal actions or claims or complaints or investigations. As a result, the Group may become subject to liabilities that could affect our business, financial position and reputation. Litigation is inherently unpredictable and large judgement may at times occur. The Group may incur, in the future, judgements or enter into settlements of claims that could lead to material cash outflows. The Group considers that no material loss to the Group is expected to result from the legal proceedings, claims, complaints and investigations that the Group is currently subject to. Provisions are recognised when it is probable that the Group will be required to settle an obligation arising as a result of a legal claim against the Group.

Details of any significant potential tax uncertainties are set out in Note 9.

29. Currency translation

Assets and liabilities denominated in foreign currencies are translated into US dollars and sterling at the year-end rates of exchange. Results denominated in foreign currencies have been translated into US dollars at the average rate for each year.

	2023	2022
Year-end rate	\$1.275=£1; \$1 = Ch\$877.1	\$1.208=£1; \$1 = Ch\$855.9
Average rates	\$1.244=£1; \$1 = Ch\$839.2	\$1.234=£1; \$1 = Ch\$872.4

30. Distribution

The Annual Report and Financial Statements for the year ended 31 December 2023, once finalised, together with the Notice of the 2024 Annual General Meeting, will be posted to all shareholders in April 2024.

Alternative performance measures (not subject to audit or review)

This consolidated financial information includes a number of alternative performance measures, in addition to amounts in accordance with UK-adopted International Accounting Standards. These measures are included because they are considered to provide relevant and useful additional information to users of the accounts. Set out below are definitions of these alternative performance measures, explanations as to why they are considered to be relevant and useful, and reconciliations to the IFRS figures.

a) Underlying earnings per share

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

b) EBITDA

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

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

For the year ended 31 December 2023

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	1,406.0	491.7	105.7	-	(141.1)	(123.0)	**1,739.3**	43.5	**1,782.8**
Depreciation	318.6	727.3	109.4	-	-	24.3	**1,179.6**	31.7	**1,211.3**
EBITDA from subsidiaries	**1,724.6**	**1,219.0**	**215.1**	**-**	**(141.1)**	**(98.7)**	**2,918.9**	**75.2**	**2,994.1**
Proportional share of the EBITDA from associates and JVs	-	-	-	86.8	-	-	**86.8**	6.3	**93.1**
EBITDA	**1,724.6**	**1,219.0**	**215.1**	**86.8**	**(141.1)**	**(98.7)**	**3,005.7**	**81.5**	**3,087.2**

For the year ended 31 December 2022

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	1,196.2	446.0	155.6	-	(113.0)	(94.3)	**1,590.5**	43.8	**1,634.3**
Depreciation	276.1	710.2	105.6	-	-	18.7	**1,110.6**	30.5	**1,141.1**
Loss on disposals	0.5	1.0	-	-	-	0.6	**2.1**	-	**2.1**
EBITDA from subsidiaries	**1,472.8**	**1,157.2**	**261.2**	**-**	**(113.0)**	**(75.0)**	**2,703.2**	**74.3**	**2,777.5**
Proportional share of the EBITDA from associates and JVs	-	-	-	147.2	-	(0.7)	**146.5**	5.7	**152.2**
Total EBITDA	**1,472.8**	**1,157.2**	**261.2**	**147.2**	**(113.0)**	**(75.7)**	**2,849.7**	**80.0**	**2,929.7**

c) Cash costs

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

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

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

	At 31.12.2023	At 31.12.2022
Reconciliation of cash costs excluding treatment & refining charges and by-product revenue:		
Total Group operating costs (Note 5) ($m)	**4,541.7**	4,227.7
Zaldívar operating costs (attributable basis - 50%)	**263.1**	234.4
Less:		
Depreciation Note 5) ($m)	**(1,211.3)**	(1,141.1)
Loss on disposal (Note 5) ($m)	**-**	(2.1)
Corporate and other items – Total operating cost, excluding depreciation (Note 5) ($m)	**(98.7)**	(75.0)
Exploration and evaluation – Total operating cost, excluding depreciation (Note 5) ($m)	**(141.1)**	(113.0)
Transport division – Total operating cost, excluding depreciation (Note 5) ($m)	**(120.7)**	(119.1)
Closure provision and other expenses not included within cash costs ($m)	**(102.7)**	(97.6)
Inventories variation	**(13.6)**	(12.0)
Total cost relevant to the mining operations' cash costs ($m)	**3,116.7**	2,902.2
Copper production volumes (tonnes)[1]	**660,600**	646,200
Cash costs excluding treatment & refining charges and by-product revenue ($/tonne)	**4,718**	4,491
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.14**	2.05

	At 31.12.2023	At 31.12.2022
Reconciliation of cash costs before deducting by-products revenue:		
Treatment & refining charges - copper and by-products- Los Pelambres ($m)	**155.3**	108.5
Treatment & refining charges - copper and by-products- Centinela ($m)	**95.4**	78.8
Treatment & refining charges - copper – total($m)	**250.7**	187.3
Copper production volumes (tonnes)	**660,600**	646,200
Treatment & refining charges ($/tonne)	**379.4**	289.9
Treatment & refining charges ($/lb)	**0.17**	0.14
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.14**	2.05
Treatment & refining charges ($/lb)	**0.17**	0.14
Cash costs before deducting by-product revenue (S/lb)	**2.31**	2.19

[1]The 660,600 tonnes includes 40,500 tonnes of production at Zaldívar on a 50% attributable basis.

c) Cash costs (continued)

	At 31.12.2023	At 31.12.2022
Reconciliation of cash costs (net of by-product revenue):		
Gold revenue - Los Pelambres ($m)	**83.6**	75.5
Gold revenue – Centinela ($m)	**324.2**	239.0
Molybdenum revenue - Los Pelambres ($m)	**397.6**	311.9
Molybdenum revenue - Centinela ($m)	**141.7**	110.2
Silver revenue - Los Pelambres ($m)	**36.2**	33.1
Silver revenue - Centinela ($m)	**34.9**	25.1
Total by-product revenue ($m)	**1,018.2**	794.8
Copper production volumes (tonnes)[2]	**660,600**	646,200
By-product revenue ($/tonne)	**1,541.3**	1,230.0
By-product revenue ($/lb)	**0.70**	0.58
Cash costs before deducting by-product revenue (S/lb)	**2.31**	2.19
By-product revenue ($/lb)	**(0.70)**	(0.58)
Cash costs (net of by-product revenue) ($/lb)	**1.61**	1.61

[2]The 660,600 tonnes includes 40,500 tonnes of production at Zaldívar on a 50% attributable basis.

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

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

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

	Total amount $m	**December 2023 Attributable share**	**Attributable amount $m**	Total amount $m	December 2022 Attributable share	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**587.0**	**60%**	**352.2**	655.4	60%	393.2
Centinela	**516.9**	**70%**	**361.8**	348.5	70%	244.0
Antucoya	**129.9**	**70%**	**90.9**	111.8	70%	78.3
Corporate	**1,668.3**	**100%**	**1,668.3**	1,247.0	100%	1,247.0
Transport division	**17.3**	**100%**	**17.3**	28.5	100%	28.5
Total	**2,919.4**		**2,490.5**	2,391.2		1,991.0
Borrowings:						
Los Pelambres (Note 18)	**(2,112.4)**	**60%**	**(1,267.4)**	(1,525.8)	60%	(915.5)
Centinela (Note 18)	**(574.1)**	**70%**	**(401.9)**	(311.9)	70%	(218.3)
Antucoya (Note 18)	**(379.1)**	**70%**	**(265.4)**	(411.5)	70%	(288.1)
Corporate (Note 18)	**(1,007.7)**	**100%**	**(1,007.7)**	(1,010.9)	100%	(1,010.9)
Transport division (Note 18)	**(5.9)**	**100%**	**(5.9)**	(16.9)	100%	(16.9)
Total (Note 18)	**(4,079.2)**		**(2,948.3)**	(3,277.0)		(2,449.7)
Net (debt)/cash	**(1,159.8)**		**(457.8)**	(885.8)		(458.7)

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

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

	Production		Sales	
	Year ended 31.12.2023	Year ended 31.12.2022	**Year ended 31.12.2023**	Year ended 31.12.2022
Copper	**000 tonnes**	000 tonnes	**000 tonnes**	000 tonnes
Los Pelambres	**300.3**	275.0	**299.0**	271.2
Centinela	**242.0**	247.5	**247.9**	246.1
Antucoya	**77.8**	79.2	**78.4**	80.8
Zaldívar (attributable basis - 50%)	**40.5**	44.5	**41.9**	44.4
Group total	**660.6**	646.2	**667.2**	642.5
Gold	**000 ounces**	000 ounces	**000 ounces**	000 ounces
Los Pelambres	**43.3**	43.1	**42.1**	42.3
Centinela	**165.8**	133.7	**162.8**	132.3
Group total	**209.1**	176.8	**204.9**	174.6
Molybdenum	**000 tonnes**	000 tonnes	**000 tonnes**	000 tonnes
Los Pelambres	**8.1**	7.2	**8.1**	6.8
Centinela	**2.9**	2.4	**3.0**	2.4
Group total	**11.0**	9.6	**11.1**	9.2
Silver	**000 ounces**	000 ounces	**000 ounces**	000 ounces
Los Pelambres	**1,613.5**	1,603.8	**1,509.2**	1,562.9
Centinela	**1,461.0**	1,212.1	**1,469.9**	1184.2
Group total	**3,074.5**	2,815.9	**2,979.1**	2,747.1

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

	Cash costs		Realised prices	
	Year ended 31.12.2023 $/lb	Year ended 31.12.2022 $/lb	**Year ended 31.12.2023 $/lb**	Year ended 31.12.2022 $/lb
Copper				
Los Pelambres	**1.14**	1.10	**3.89**	3.76
Centinela	**1.63**	1.75	**3.89**	3.89
Antucoya	**2.63**	2.50	**3.89**	3.95
Zaldivar (attributable basis – 50%)	**2.95**	2.39	**-**	-
Group weighted average (net of by-products)	**1.61**	1.61	**3.89**	3.84
Group weighted average (before deducting by-products)	**2.31**	2.19		
Group weighted average (before deducting by-products and excluding treatment & refining charges from concentrate)	**2.14**	2.05		
Cash costs at Los Pelambres comprise:				
On-site and shipping costs	**1.69**	1.66		
Treatment & refining charges for concentrates	**0.23**	0.18		
Cash costs before deducting by-product credits	**1.92**	1.84		
By-product credits (principally molybdenum)	**(0.78)**	(0.74)		
Cash costs (net of by-product credits)	**1.14**	1.10		
Cash costs at Centinela comprise:				
On-site and shipping costs	**2.40**	2.29		
Treatment & refining charges for concentrates	**0.17**	0.15		
Cash costs before deducting by-product credits	**2.57**	2.44		
By-product credits (principally gold)	**(0.94)**	(0.69)		
Cash costs (net of by-product credits)	**1.63**	1.75		
LME average copper price			**3.85**	4.00

Gold	$/oz	$/oz
Los Pelambres	**1,983**	1,785
Centinela	**1,991**	1,806
Group weighted average	**1,990**	1,801
Market average price	**1,943**	1,800
Molybdenum	$/lb	$/lb
Los Pelambres	**22.0**	20.9
Centinela	**21.7**	20.5
Group weighted average	**22.0**	20.8
Market average price	**24.1**	18.7
Silver	$/oz	$/oz
Los Pelambres	**24.1**	21.2
Centinela	**23.8**	21.1
Group weighted average	**24.0**	21.2
Market average price	**23.4**	21.8

Notes to the production and sales statistics

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

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

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

(iv) Realised copper prices are determined by comparing revenue from copper sales (after adding back treatment and refining charges for concentrates) with sales volumes for each mine in the period. Realised molybdenum and gold prices are calculated on a similar basis. Realised prices reflect mark-to-market adjustments for sales contracts which contain provisional pricing mechanisms and gains and losses on commodity derivatives, which are included within revenue.

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

(vi) The production information and the cash cost information is derived from the Group's production report for the fourth quarter of 2023, published on 17 January 2024.