

LISTING MEMORANDUM

U.S.\$600,000,000



**(a public limited company incorporated under the laws of England and Wales
and registered with company number 01627889)**

5.625% Senior Notes due 2035

On September 9, 2025, we issued U.S.\$600,000,000 aggregate principal amount of our 5.625% Senior Notes due 2035 (the “notes”). We will pay interest on the notes semi-annually on March 9 and September 9 of each year, beginning on March 9, 2026. The notes will mature on September 9, 2035. Interest on the notes accrues at a rate of 5.625% per annum from September 9, 2025. We may redeem the notes, in whole or in part, at any time at a redemption price based on a “make-whole” premium plus accrued and unpaid interest, if any, to the date of redemption. In addition, in the event of certain changes in applicable tax laws relating to payments of interest on the notes, we may redeem the notes in whole, but not in part, at 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of redemption. There is no sinking fund for the notes.

The notes are our senior unsecured general obligations and will rank equally in right of payment with all our existing and future senior unsecured indebtedness other than obligations preferred by statute or operation of law. The notes rank and will rank without any preference among themselves and equally with all our other unsubordinated obligations. The notes are effectively subordinated to all our existing and future secured indebtedness to the extent of the value of our assets securing such indebtedness. The notes are not guaranteed by any person or entity. See “Description of the Notes.”

This listing memorandum has been approved by the Financial Conduct Authority (the “FCA”), as competent authority under Regulation (EU) 2017/1129 as it forms part of United Kingdom (“UK”) domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “EUWA”) (the “UK Prospectus Regulation”). The FCA only approves this listing memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the notes. Investors should make their own assessment as to the suitability of investing in the notes. This listing memorandum will constitute a prospectus for the purposes of the UK Prospectus Regulation.

Application has been made to the FCA for the notes to be admitted to the official list of the FCA (the “Official List”) and application will be made to the London Stock Exchange plc (the “London Stock Exchange”) for such notes to be admitted to trading on the London Stock Exchange’s regulated market (“Main Market”). The Main Market is a regulated market for the purposes of Regulation (EU) 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA (“UK MiFIR”). Such approval will relate only to the notes which are to be admitted to trading on a regulated market for the purposes of UK MiFIR and/or which are to be offered to the public in the UK.

This listing memorandum is issued solely in connection with the admission of the notes to the Official List and to trading on the Main Market. This listing memorandum does not constitute, and under no circumstances is to be construed as, an offering of securities in any jurisdiction. The offering of notes referred to herein has been completed.

Investing in the notes involves risks. See “Risk Factors” beginning on page 30 for certain information that you should consider before investing in the notes. Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this listing memorandum. Any representation to the contrary is a criminal offense.

Offering Price: 99.668% plus accrued interest, if any, from September 9, 2025.

The notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), any state securities laws, or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold in the United States only to qualified institutional buyers in compliance with Rule 144A under the Securities Act (“Rule 144A”) and to persons other than U.S. persons in compliance with Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of eligible offerees and certain restrictions on transfer of the notes, see “Transfer Restrictions.”

The notes have been delivered in book-entry form only through the facilities of The Depository Trust Company (“DTC”) for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, *société anonyme* (“Clearstream”), on or about September 9, 2025.

Global Coordinators and Joint Book-Running Managers

BofA Securities

Credit Agricole CIB

J.P. Morgan

Joint Book-Running Managers

BBVA

**Goldman Sachs &
Co. LLC**

MUFG

Natixis

Scotiabank

**UBS Investment
Bank**

The date of this listing memorandum is October 24, 2025.

We have not, and the initial purchasers have not, authorized anyone to provide you with information that is different or additional from that contained in this listing memorandum, and we take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information in this listing memorandum is accurate only as of the date on the front cover of this listing memorandum, regardless of time of delivery of this listing memorandum or any sale of the notes. Our business, financial condition, results of operations and prospects may change after the date on the front cover of this listing memorandum. This document may be used only where it is legal to sell the notes. Neither we nor any of the initial purchasers is making an offer to sell the notes in any jurisdiction where such an offer is not permitted.

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NOTICE TO INVESTORS

This listing memorandum has been prepared solely for use in connection with the proposed offering of the notes to the Official List and to trading on the Main Market. This listing memorandum does not constitute, and under no circumstances is to be construed as, an offering of securities in any jurisdiction. The offering of notes referred to herein has been completed. The Company accepts responsibility for the information contained in this listing memorandum. To the best of the knowledge of the Company the information contained in this listing memorandum is in accordance with the facts and this listing memorandum makes no omission likely to affect its import.

This listing memorandum has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this listing memorandum as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this listing memorandum nor as an endorsement of the quality of the notes that are the subject of this listing memorandum. Investors should make their own assessment as to the suitability in investing in such notes.

This listing memorandum comprises a prospectus for the purposes of Article 6 of the UK Prospectus Regulation and for the purposes of giving information with regard to the Company and the notes, which, according to the particular nature of the Company and the notes, is necessary to an investor for making an informed assessment of the prospects of the Company, the rights attaching to the notes and the reasons for the issuance of the notes and its impact on the Company.

None of the Global Coordinators, the Joint Book-Running Managers nor any of their respective directors, officers, employees, affiliates, advisers or agents have authorized the whole or any part of this listing memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this listing memorandum. None of the Global Coordinators, the Joint Book-Running Managers nor any of their respective directors, officers, employees, affiliates, advisers or agents has made any independent verification of the information contained in this listing memorandum in connection with the issue or offering of the notes and no representation or warranty, express or implied, is made by any of the Global Coordinators, the Joint Book-Running Managers or any of their respective directors, officers, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information. Nothing contained in this listing memorandum is, is to be construed as, or shall be relied upon as, a representation or warranty, whether to the past or the future, by any of the Global Coordinators, the Joint Book-Running Managers or any of their respective directors, officers, employees, affiliates, advisers or agents in any respect.

The Company has not authorized the making or provision of any representation or information regarding the Company or the notes other than as contained in this listing memorandum. Any other representation or information should not be relied upon as having been authorized by the Company, Global Coordinators or the Joint Book-Running Managers.

Neither the delivery of this listing memorandum nor the offering, sale or delivery of any note shall in any circumstance create any implication that there has been no adverse change, or event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Company since the date of this listing memorandum.

The distribution of this listing memorandum and the offering, sale and delivery of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this listing memorandum comes are required by the Company, the Global Coordinators and the Joint Book-Running Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on

offers, sales and deliveries of the notes and on the distribution of this listing memorandum and other offering materials relating to the notes, see “*Plan of Distribution*” and “*Transfer Restrictions*.”

This listing memorandum has been prepared by the Company for use in connection with the admission of the notes to the Official List of the FCA and the Regulated Market of the London Stock Exchange. Application will be made to have the notes admitted to the Official List of the FCA and trading on the Regulated Market of the London Stock Exchange on or prior to the first interest payment date of the notes, however, the Company cannot guarantee that these applications will be approved, and settlement of the notes is not conditioned on obtaining such listings. This listing memorandum does not constitute an offer to any person in the United States other than any QIB to whom an offer has been made directly by one of the Joint Book-Running Managers, Global Coordinators or its U.S. broker-dealer affiliate. Distribution of this listing memorandum to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB with respect thereto, is unauthorized and any disclosure without the prior written consent of the Company of any of its contents to any person within the United States, other than any QIB and those persons, if any, retained to advise such QIB, is prohibited.

Notwithstanding anything to the contrary contained herein, none of the trustee, any paying agent or any other agent under the indenture (as defined in “Description of the Notes”) makes any representation with respect to the accuracy or completeness of the information contained in this listing memorandum, and shall have no liability whatsoever for its accuracy or completeness.

Prospective purchasers of the notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Chile of acquiring, holding and disposing of the notes and receiving payments of principal, interest and/or other amounts under the notes.

SUITABILITY OF INVESTMENT

In making any investment decision, prospective investors must rely on their own examination of the Company, including the merits and risks involved. Prospective investors should not construe anything contained in this listing memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable legal investment or similar laws or regulations and to determine the tax consequences relating to an investment in the notes.

Each potential investor in the notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the notes, the merits and risks of investing in the notes and the information contained in this listing memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the notes and the impact the notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all the risks of an investment in the notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the notes and be familiar with the behavior of any relevant financial markets; and

- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

LEGAL INVESTMENT CONSIDERATIONS

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the notes are legal investments for it, (2) the notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the notes under any applicable risk-based capital or similar rules.

STABILIZATION

In connection with the issue of the notes, the initial purchasers may over allot notes or effect transactions with a view to supporting the price of the notes at a level higher than that which might otherwise prevail. However, there is no obligation on the initial purchasers to do this and stabilization may not necessarily occur. Any stabilization action or over-allotment must be conducted in accordance with all applicable laws and rules and if commenced, may be discontinued at any time.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

THE NOTES HAVE NOT BEEN APPROVED OR DISTRIBUTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED

STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LISTING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

AVAILABLE INFORMATION

We are not subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). To permit compliance with Rule 144A under the Securities Act in connection with resales of notes, we will be required under the indenture (as defined in “Description of the Notes”), upon the request of a holder of Rule 144A notes or Regulation S notes (during the restricted period, as defined in the legend included under “Transfer Restrictions”), to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act, unless we furnish information to the SEC in accordance with Rule 12g3-2(b) under the Exchange Act or pursuant to Section 13 or 15(d) of the Exchange Act. Any such request may be made to us in writing at our registered office located at 103 Mount Street, London W1K 2TJ, United Kingdom.

The indenture will further require that we furnish to the trustee (as defined herein) all notices and communications that are generally made available to holders of the notes.

We will make available to the holders of the notes, at the corporate trust office of the trustee at our cost, copies of the indenture and this listing memorandum, and copies in English of our annual audited consolidated financial statements and our interim unaudited condensed consolidated financial statements.

FORWARD-LOOKING STATEMENTS

This listing memorandum contains certain forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Examples of forward-looking statements include those regarding the Company'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 "may", "will", "should", "aim", "expect", "continue", "progress", "estimate", "anticipate", "intend", "look", "believe", "vision", "ambition", "target", "seek", "goal", "plan", "potential", "try", "work towards", "future", "become", "introduce", "transform", "outcome", "project", "projections", "deliver", "evolve", "develop", "forward", "medium-term", "long-term", "objective", "achievement" or the negative of these terms and other similar expressions of future actions or results, and their negatives, identify forward-looking statements. Forward-looking statements also include, but are not limited to, statements and information regarding the climate and sustainability ambitions, targets and strategy of the Company or Group.

These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or outcomes. All forward-looking statements contained in this listing memorandum are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that are beyond our control. Given these risks, uncertainties and assumptions, actual results could differ materially from any future results expressed or implied by these forward-looking statements. 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 labor;
- operating or technical difficulties in connection with mining or development activities;
- employee relations;
- litigation;
- actions and activities of governmental authorities (including changes in laws, regulations or taxation);
- the availability and cost of technologies and infrastructure required for the Group to achieve its emissions reductions targets and ambitions; and
- changes in the emissions of the Group's suppliers that affect the Scope 3 emissions reported by the Group.

These forward-looking statements speak only as of the date of this listing memorandum. Except as required by any applicable law or regulation, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based. No assurance can be given that the forward-looking statements in this listing memorandum will be realized. Past performance cannot be relied on as a guide to future performance.

Additional factors which could cause actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section "Risk Factors" in this listing memorandum.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Certain Defined Terms

In this listing memorandum, unless otherwise specified or the context otherwise requires, the terms “we,” “our,” “us,” the “Group,” the “Company” and “Antofagasta” refer to Antofagasta plc, together with its subsidiaries, or, if the context requires, Antofagasta plc, individually. References to the “Issuer” in this listing memorandum are references to Antofagasta plc. Certain terms used in this listing memorandum, including certain terms relating to our business, are defined in “Glossary of Certain Terms.”

Financial Information

This listing memorandum includes:

- our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2022, which include the notes thereto (the “2022 Audited Financial Statements”);
- our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2023, which include the notes thereto (the “2023 Audited Financial Statements”);
- our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2024, which include the notes thereto (the “2024 Audited Financial Statements” and, together with the 2023 Audited Financial Statements and the 2022 Audited Financial Statements, the “Annual Audited Financial Statements”); and
- our reviewed unaudited interim condensed consolidated financial statements presented in U.S. dollars as of and for the six-month period ended June 30, 2025, together with the notes thereto (the “Interim Unaudited Financial Statements” and, together with the Annual Audited Financial Statements, the “Financial Statements”).

The financial information presented and disclosed in this listing memorandum as of and for each of the years ended December 31, 2022, 2023, and 2024 has been derived from the 2022 Audited Financial Statements, the 2023 Audited Financial Statements and the 2024 Audited Financial Statements, respectively, except that certain figures as at and for the year ended December 31, 2023 have been derived from the unaudited restated comparative financial information as at and for the year ended December 31, 2023 included in the 2024 Audited Financial Statements. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a discussion of the sources of the numbers contained in this section. The unaudited financial information presented and disclosed in this listing memorandum as of and for the six-month periods ended June 30, 2025 and 2024 has been derived from the reviewed Interim Unaudited Financial Statements.

The Financial Statements should be read in conjunction with the relevant reports of our independent auditors, included elsewhere in this listing memorandum, as such reports relate to the Financial Statements.

Our Annual Audited Financial Statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 (“IFRS”). Our Interim Unaudited Financial Statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The preparation of financial information in accordance with IFRS requires the use of certain critical accounting estimates. Please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Judgments and Key Sources of Estimation Uncertainty”, Note 3 of the Annual Audited Financial Statements and Note 1(d) to the Interim Unaudited Financial Statements, included elsewhere in this listing memorandum. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the notes to the financial information included elsewhere in this listing memorandum.

In making an investment decision, you must rely upon your own examination of Antofagasta and its subsidiaries, the terms of the offering and the financial information included herein. We urge you to consult your own advisors regarding the differences between IFRS and U.S. GAAP and how these differences might affect the financial information included in this listing memorandum.

Certain of the notes to the 2024 Audited Financial Statements include restatements and changes in classifications that have been made to prior period figures that were reported in the 2023 Audited Financial Statements. Details of these restatements are included in notes 6, 7, 9, 15, 18, 21, 22, and 25 to the 2024 Audited Financial Statements. No equivalent adjustments have been made to the financial information as of and for the year ended December 31, 2022. None of these restatements had any impact on the consolidated balance sheet, consolidated income statement or cash flow statement of the Financial Statements for the relevant periods.

The financial information included in this listing memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations that would apply if the notes were to be registered in the United States.

Currency and Units of Measure

In this listing memorandum, references to “U.S.\$,” “\$,” “U.S. dollars” and “dollars” are to United States dollars and references to “cents” are to United States cents (U.S.\$0.01). References to “pesos” or “Ch\$” are to Chilean pesos. References to “British pounds,” “GBP,” “pounds sterling,” “sterling” or “£” are to the currency of the United Kingdom of Great Britain and Northern Ireland.

As used in this listing memorandum, the term “billion” means one thousand million (1,000,000,000).

Rounding Adjustments

Certain figures included in this listing memorandum have been rounded for ease of presentation. Percentage figures included in this listing memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this listing memorandum may vary from those obtained by performing the same calculations using the figures in our Financial Statements included elsewhere in this listing memorandum. Certain other amounts that appear in this listing memorandum may not sum due to rounding.

Industry and Market Data

Market data and other statistical information used throughout this listing memorandum are generally based on independent industry publications, government publications, reports by market research firms or other published independent sources, including independent consultants. Some data are also based on our estimates, which are derived from our review of internal surveys, as well as independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness.

In addition, in many cases, we have based certain statements contained in this listing memorandum regarding our industry and our position in the industry on certain assumptions concerning our customer and competitors. These assumptions are based on our experience in the industry and our own investigation of market conditions. We cannot assure you as to the accuracy of any such assumptions, and such assumptions may not be indicative of our position in our industry.

Certain information provided in this listing memorandum has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading. All information in this listing memorandum attributed to “Wood Mackenzie” is sourced from the “Wood Mackenzie Global Copper Concentrates Strategic Planning Outlook – Q1 2025” report, dated March 2025.

Alternative Performance Measures

In this listing memorandum, we have included references to certain non-IFRS measures and ratios, including EBITDA, exceptional items, Net Debt, cash costs, EBITDA Margin and Net Debt/EBITDA or leverage. These measures are included because they are considered to provide relevant and useful additional information to investors. You should exercise caution in comparing the non-IFRS measures as reported by us to non-IFRS measures of other companies. Non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation or as a substitute for analysis of our operating results as reported under IFRS.

EBITDA, Net Debt, cash costs, EBITDA Margin and other alternative performance measures as presented in this listing memorandum may not be comparable to other similarly titled measures of performance of other companies. The non-IFRS financial information included in this listing memorandum is not intended to comply with reporting requirements of the SEC and will not be subject to review by the SEC or any other authority in the United States.

EBITDA

EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortization. EBITDA is calculated by adding back depreciation, amortization, profit or loss on disposals and impairment charges or reversals 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 and equipment or the particular financing structure adopted by the business.

For a reconciliation of EBITDA to operating profit for each of the years ended December 31, 2024, 2023 and 2022 and for the six-month periods ended June 30, 2025 and 2024, see “Summary of Financial and Other Information.”

Exceptional items

Exceptional items are material items of income and expense which result from one-off transactions or transactions outside the ordinary course of business of the Group. These are 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. For further details, refer to “Management’s Discussion and Analysis of Financial Condition and results of Operations – Factors Affecting our Results of Operations – Exceptional items”, Note 4 to the

2024 Audited Financial Statements, Note 4 to the 2023 Audited Financial Statements and Note 3 to the Interim Unaudited Financial Statements.

Certain figures included in this listing memorandum are presented excluding exceptional items. Such figures are non-IFRS measures.

Net Debt

Net Debt reflects the total short-term borrowings and other financial liabilities and medium and long-term borrowings and other financial liabilities less cash and cash equivalents and liquid investments. This is considered to provide a useful indication of the business's financial position, including its capacity to raise additional debt, and is widely accepted as one of the most common measures of a company's level of indebtedness. For a reconciliation of Net Debt for each of the years ended December 31, 2024, 2023 and 2022 and for the six-month periods ended June 30, 2025 and 2024, see "Summary of Financial and Other Information."

Cash Costs and Net Cash Costs

Cash costs and net cash costs are non-IFRS alternative performance measures of the cost of operational production expressed in terms of cents per pound of payable copper produced. Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs. For Los Pelambres and Centinela, cash costs are stated net of by-product credits and include treatment and refining charges for concentrates. Net cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.

Cash costs and net cash costs are considered to be useful and relevant measures as they are standard industry measures applied by most major copper mining companies which reflect the direct costs involved in producing each pound of copper. They therefore allow 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. They also provide a simple indication of the profitability of a mine when compared against the price of copper (per lb).

For a reconciliation of total operating costs to net cash costs for each of the years ended December 31, 2024, 2023 and 2022 and for the six-month periods ended June 30, 2025 and 2024, see "Summary of Financial and Other Information."

EBITDA Margin

EBITDA Margin is calculated as EBITDA divided by revenue. This is considered to provide a useful indication of the level of profitability of the business, excluding the impact of the historical cost of property, plant and equipment or the particular financing structure adopted by the business, and allows comparisons between businesses of different sizes.

For a description of how EBITDA Margin is calculated for each of the years ended December 31, 2024, 2023 and 2022 and for the six-month periods ended June 30, 2025 and 2024, see "Summary of Financial and Other Information."

Net Debt/EBITDA or Leverage

Net Debt/EBITDA, or leverage, is calculated as Net Debt at the period-end date divided by EBITDA for the last twelve months. This is considered to provide a useful indication of the business's financial position, including its capacity to raise additional debt, is widely accepted as one of the most

common measures of a company's level of indebtedness, and allows comparisons between businesses of different sizes.

For a description of how Net Debt/EBITDA is calculated for each of the twelve-month periods ended December 31, 2024, 2023 and 2022 and June 30, 2025, see "Summary of Financial and Other Information."

Financial Information for the Twelve-Month Period Ended June 30, 2025

Additionally, in this listing memorandum, the Group presents certain financial information for the twelve-month period ended June 30, 2025. The Group calculates its unaudited financial information for the twelve-month period ended June 30, 2025 by adding the unaudited financial information of the Company for the six-month period ended June 30, 2025 to the audited financial statements as at and for the year ended December 31, 2024 and subtracting the unaudited financial information of the Company for the six-month period ended June 30, 2024.

The financial information for the twelve-month period ended June 30, 2025 has not been prepared in accordance with IFRS, or any generally accepted accounting standards, as it does not relate to a standard accounting reporting period. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information have been audited or reviewed in accordance with any generally accepted auditing or review standards.

OVERVIEW

This overview highlights selected information more fully described elsewhere in this listing memorandum. This overview does not contain all of the information that is important to you. You should read carefully this entire listing memorandum, including the Financial Statements including the notes and other financial data appearing elsewhere herein, and including the risks of investing in the notes discussed in “Risk Factors” below, before making a decision whether to invest in the notes.

Our Business

We are a leading Chile-based international copper mining group that also has significant production of gold and molybdenum as by-products. We are incorporated under the laws of England and Wales and have been listed on the London Stock Exchange since 1888, and are a constituent of the FTSE 100 index, as well as the ESG focused FTSE4Good and Bloomberg ESG Data Index.

We engage primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore and the international sale of copper cathodes and copper concentrates. We operate four producing mines in Chile. We also engage in exploration activities in Chile and elsewhere in the Americas and own a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including some of our own operations.

The four mines we operate (Los Pelambres, Centinela, Antucoya, Zaldívar) are located in the Coquimbo and Antofagasta regions of Chile. As of December 31, 2024, these four operating mines had approximately 4,377.2 million tonnes of proven and probable ore reserves (including 100% of the proven and probable reserves at Zaldívar, of which we have a 50% ownership interest).

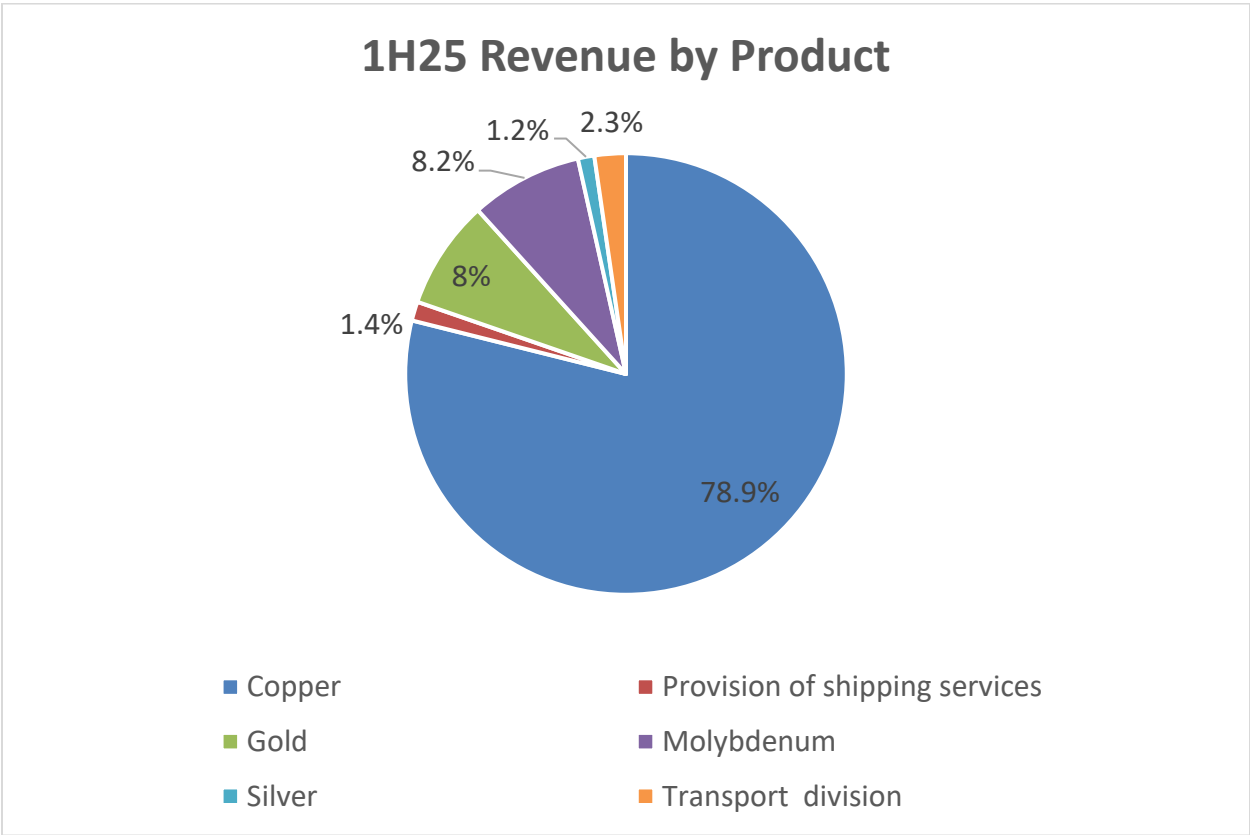
We believe the high quality of our core mining assets is one of our key strengths. Los Pelambres, a world-class copper mine, contains proven and probable ore reserves totaling 781.5 million tonnes as at December 31, 2024, and produced 319,600 tonnes of copper in 2024 and 143,200 tonnes of copper in the six-month period ended June 30, 2025. Centinela contains proven and probable ore reserves totaling 2,553.3 million tonnes as at December 31, 2024, and produced 223,800 tonnes of copper in 2024 and 116,200 tonnes of copper in the six-month period ended June 30, 2025. Antucoya contains proven and probable ore reserves totaling 691.4 million tonnes as at December 31, 2024, and produced 80,400 tonnes of copper in 2024 and 39,500 tonnes of copper in the six-month period ended June 30, 2025. Zaldívar, which is a joint venture with Barrick Gold Corporation which we operate and in which we hold a 50% interest, contains proven and probable ore reserves totaling 351.0 million tonnes as at December 31, 2024 (reflecting 100% of the proven and probable reserves at Zaldívar), and produced 40,100 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in 2024 and 16,000 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in the six-month period ended June 30, 2025.

Our main commercial products are copper concentrates (also containing gold and silver) and copper cathodes. We also produce and sell molybdenum concentrate. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, we derived 80.2% and 78.9%, respectively, of our total revenue from copper and 15.3% and 17.5%, respectively, of our total revenue from gold, molybdenum and silver by-product production.

In addition, we also hold significant transport assets in our Transport division, which is mainly focused on the transport of copper cathodes and concentrates from, and the transport of sulfuric acid to, the mining industry in the Antofagasta region of Chile, including our own operations. Total transport volumes in 2024 were 7.1 million tonnes which were broadly consistent with transport volumes in 2023. Total transport volumes in the six-month period ended June 30, 2025 were 3.1 million tonnes. In total, in 2024

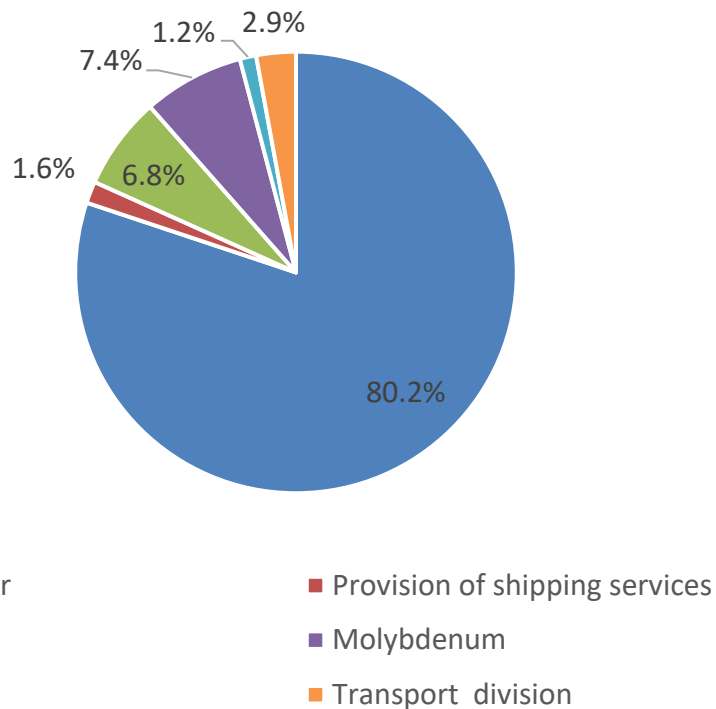
and in the six-month period ended June 30, 2025, the Transport division operated approximately 900 km of railroad and 80 locomotives.

The chart below sets forth our revenue by product for the six-month period ended June 30, 2025:



The chart below sets forth our revenue by product for the year ended December 31, 2024:

2024 Revenue by Product



We strive for operating efficiency, creation of sustainable value, high profitability, and to be a preferred partner in the global mining industry. We are committed to our purpose of Developing Mining for a Better Future. Based on this approach we adopted a strategic framework designed to underpin our long-term success. We built this framework around five pillars: disciplined growth, development of our people and culture, the safety and sustainability of our operations, innovation, and competitiveness. We have also put in place a clear set of near- and medium-term goals for the organization based on this framework.

We are focused on improving efficiency through debottlenecking and incremental plant expansions at our existing mines, as these projects often have lower capital expenditure requirements and generate higher returns than greenfield projects. We currently have two main brownfield expansion projects in various stages of progress at our existing operations, including the Second Concentrator Project at Centinela and the Los Pelambres Expansion.

At Centinela, full construction of the Second Concentrator Project commenced in 2024. The project includes the construction of a second concentrator and tailings deposit, approximately 7 km from the existing concentrator. Following completion of the initial phase of construction, the capacity of the new concentrator is expected to produce an annual average of 170,000 tonnes of copper-equivalent output, including 144,000 tonnes of copper, 130,000 ounces of gold and 3,500 tonnes of molybdenum a year over its first ten years of operation.

The project's estimated capital expenditure is \$4.0 billion, with approximately 60% of the funding coming from project finance lending facilities and the remaining 40% directly funded by Centinela's shareholders pro rata to their respective shareholdings. The estimate includes costs related to a concentrator plant, capitalized 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. First copper

production is targeted for 2027, with the mine life for the Centinela District extending to 2058. As at June 30, 2025, construction activities are progressing in line with expectations and on budget, including work on the camp facilities, ore delivery system, concentrator and tailings facility, and are over 50% complete.

Phase 1 of the Los Pelambres Expansion, involving the construction of a desalination plant and water pipeline with a capacity of 400 l/s and the expansion of the concentrator plant, was completed in 2023 with the desalination plant commencing full operations in March 2024. This expansion increased Los Pelambres' processing capacity to 190,000 tonnes of ore per day from 175,000 tonnes of ore per day. Through this expansion, Los Pelambres was able to increase ore throughput rates by 22% in 2024. In 2023, we received approval of a separate Environmental Impact Assessment ("EIA") in connection with the expansion of the desalination plant to 800 l/s and the construction of a new concentrate pipeline, improvements which are designed to enhance the resilience of Los Pelambres against the future impact of climate change and the deteriorating availability of water in the region, and provide a platform for Phase 2 of the Los Pelambres Expansion. The cost of the expansion of the desalination plant and the new concentrate pipeline is estimated to be \$2 billion, which is expected to be fully financed with debt. Construction work is underway, and is expected to last until 2027.

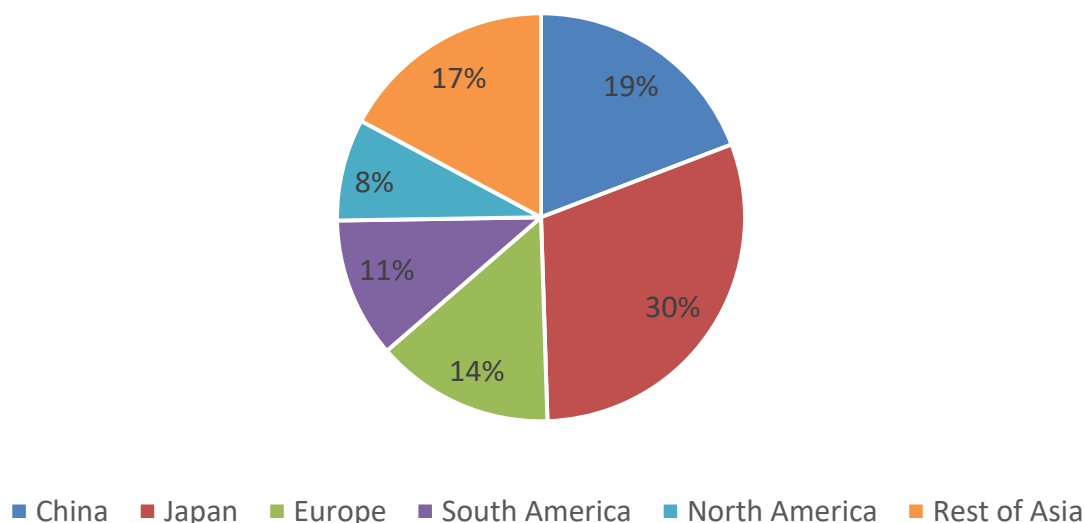
Phase 2 of the Los Pelambres Expansion involves increasing the capacity of the tailings storage facility, adding storage capacity for mine waste and providing the water requirement for the enlarged capacity of the Los Pelambres operation. The EIA for Phase 2 of the Los Pelambres Expansion was submitted in the fourth quarter of 2024. Phase 2 of the Los Pelambres Expansion is expected to extend the mine's life by at least 15 years by accessing a larger portion of Los Pelambres' six billion tonnes of mineral resources, and provides 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). Work on Phase 2 of the Los Pelambres Expansion is expected to commence after 2030.

We take a very disciplined and conservative approach to growth and have a long-term perspective, with exploration in Chile and internationally remaining a key part of the sustainable long-term growth of our copper business. In line with that approach, we own 19% of the outstanding shares of Buenaventura, Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.

The majority of our sales are to industrial customers across the globe who refine or further process the copper we produce—smelters, in the case of our copper concentrate production, and copper fabricators, in the case of our cathode production. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, 71% and 66%, respectively, of our revenue was derived from customers located in Asia, with customers in Japan accounting for 30% of total revenue in each period. We also retain a small exposure to the spot market, which allows us to manage our shipments and provides us with live market feedback.

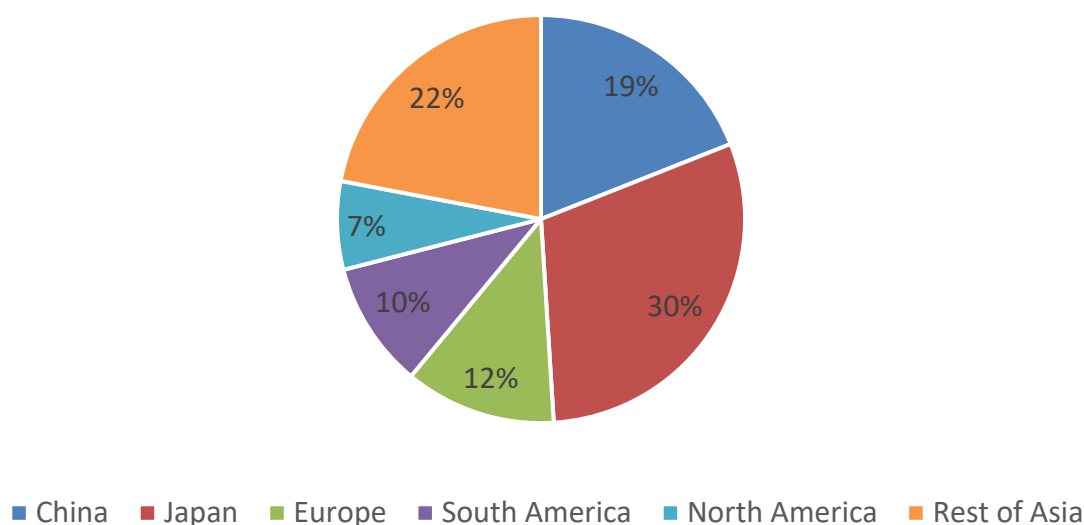
The chart below sets forth our revenue by location of customer for the six-month period ended June 30, 2025:

1H25 Revenue by Customer Geography



The chart below sets forth our revenue by location of customer for the year ended December 31, 2024:

2024 Revenue by Customer Geography



For the year ended December 31, 2024, and the six-month period ended June 30, 2025, we produced 664,000 and 314,900 tonnes of copper, respectively; 186,900 and 91,200 ounces of gold, respectively; and 10,700 and 7,400 tonnes of molybdenum, respectively.

For the year ended December 31, 2024 and the six-month period ended June 30, 2025, our consolidated revenue was \$6,613.4 million and \$3,799.4 million, respectively, profit for the year was

\$1,316.0 million and \$737.4 million, respectively, and EBITDA was \$3,426.8 million and \$2,234.2 million, respectively.

Copper Market Fundamentals

Copper is an internationally traded commodity, with prices in effect established on terminal markets including the LME and COMEX. Copper prices are affected by numerous factors, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others and actions of participants in the commodities markets.

According to Wood Mackenzie, the main variables that drive the concentrate market start with global economic activity, which directly impacts end-use copper consumption (e.g., lower economic growth leads to less demand for wiring and tubing). In general, copper prices rise as metal stocks fall and vice-versa. Other factors, such as market sentiment, exchange rates and the involvement of investment funds, can also impact copper prices.

The price of copper was volatile in 2024. Copper was trading on the LME at \$3.82/lb at the beginning of 2024, but reached a record high of \$4.92/lb in May 2024 before falling to \$3.95/lb at the end of 2024. Copper demand, however, remained strong in 2024. In particular, according to Wood Mackenzie, China accounted for over 55% of the world's consumption in 2024 and imports more than five times the amount of the second largest importer, Japan. As the world's largest copper consumer, any shift in the strength of China's economy will have implications for the price of copper. China and the United States announced reciprocal tariffs in April 2025, though those tariffs have been paused until November 2025. In addition, on July 30, 2025, the United States also announced a 50% tariff on imports of semi-finished copper products and copper-intensive derivative products effective August 1, 2025.

Although copper was exempted from the tariffs imposed on goods imported into the United States in August 2025, the imposition of those tariffs has led to global economic uncertainty, which may affect the price of copper.

As of August 28, 2025, the LME price for copper was \$4.85 per pound.

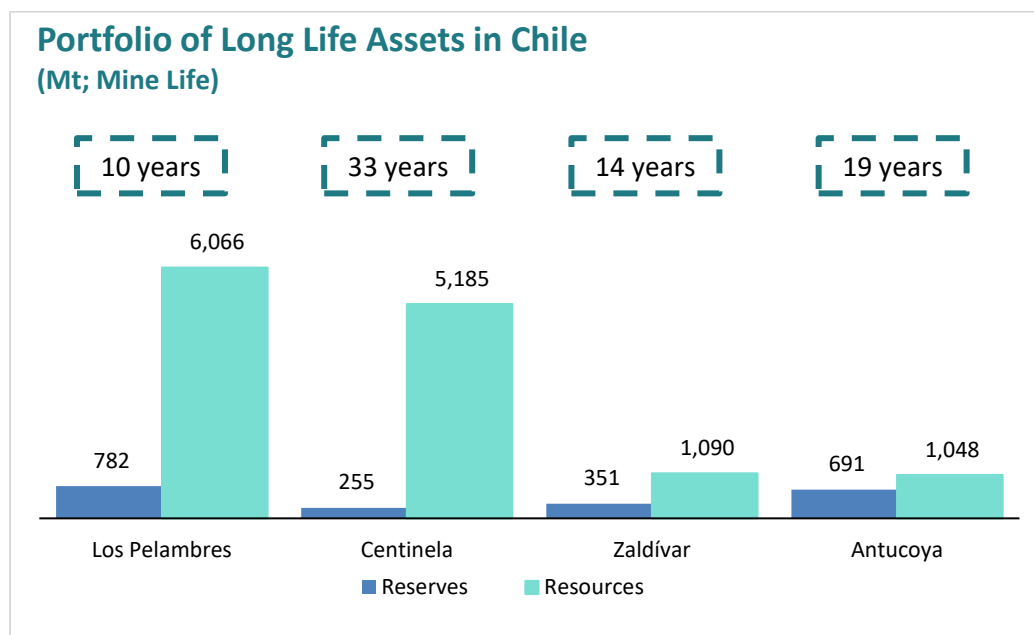
Our Strengths

We believe our competitive position as a leading mining company in Chile is supported by the following strengths:

Strong Core Mining Business with a Premium Copper Portfolio in an Established Mining Jurisdiction

Our mining assets are located in the Antofagasta and Coquimbo regions of Chile, an established mining jurisdiction. As of August 28, 2025, Chile's long-term foreign currency sovereign ratings are A2 from Moody's, A from S&P and A- from Fitch. In 2024, Chile was the largest producer of copper in the world and ranked first in reserves according to the U.S. Geological Survey, Mineral Commodity Summaries. Our mining operations have large resource bases; as of December 31, 2024, the four mines we operate had approximately 4,377.2 million tonnes of proven and probable ore reserves in total (including 100% of the proven and probable reserves at Zaldívar) with an average mine life of approximately 19 years. As at December 31, 2024, Los Pelambres contains 781.5 million tonnes in proven and probable ore reserves. Likewise, Centinela contains 2,553.3 million tonnes, Antucoya contains 691.4 million tonnes, and Zaldívar contains 351.0 million tonnes in proven and probable ore reserves (reflecting 100% of the proven and probable reserves at Zaldívar). The long life of these assets increases the likelihood of a mine being able to benefit from the peaks in the commodity price cycle while withstanding the troughs.

The chart below shows the remaining life of mine, reserves and resources of our operating mines as of December 31, 2024.^{(1),(2)}



⁽¹⁾ Figures reported on a 100% basis, Mine Life considers reserves.

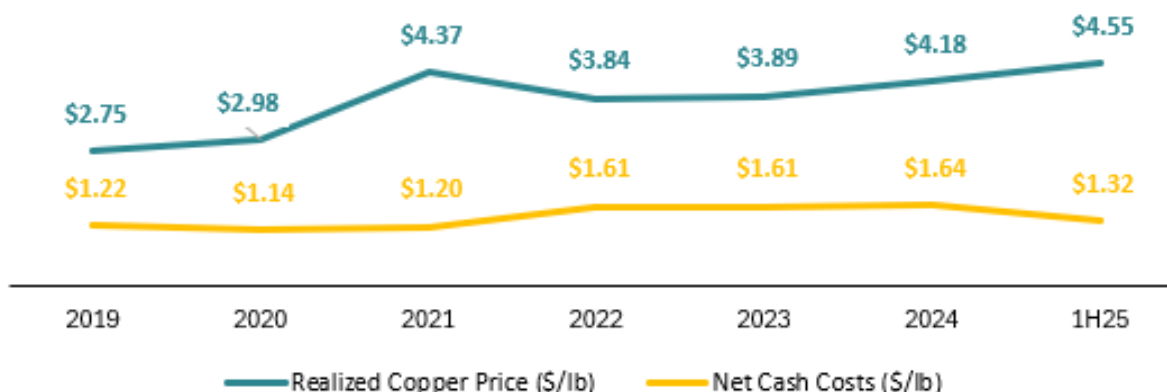
⁽²⁾ Resources are reported inclusive of reserves 2024.

The remaining mine life, reserves and resources set forth in the chart above are based on the operating conditions of the mines as of December 31, 2024. We have undertaken, or are in the process of evaluating, new projects with the goal of increasing the mine life of certain of our operating mines, including the Los Pelambres Expansion, which is expected to extend the mine life of Los Pelambres to 2051. For further information on our ongoing construction projects, see “*Business—Projects Under Construction*” and “*—Projects Under Evaluation*”.

We are poised to improve our position on the copper cash cost curve. During 2024, net cash costs per pound of \$1.64 were 3c/lb higher than 2023, reflecting lower copper grades at Los Pelambres partially offset by stronger by-product credits. In the six-month period ended June 30, 2025, net cash costs per pound of \$1.32 were 62c/lb lower than the six-month period ended June 30, 2024.

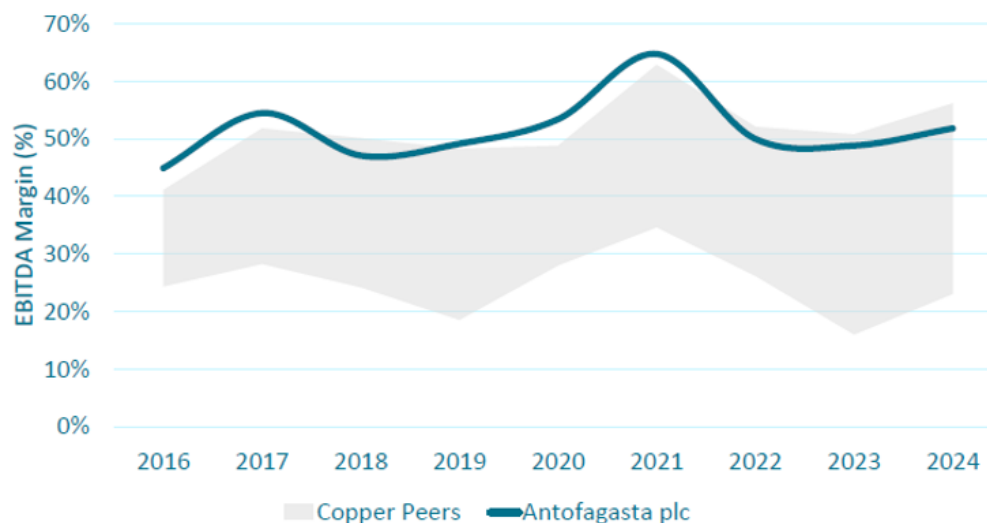
With the completion of Phase 1 of the Los Pelambres Expansion in 2023 and works underway to expand the desalination plant to 800 l/s, we expect costs related to water scarcity at Los Pelambres to decrease in the future. In addition, we expect the Second Concentrator Project to improve Centinela’s competitiveness on the global cash cost curve through an increased focus on concentrator capacity that incorporates modern technologies, increased by-products and greater economies of scale. Together, we expect these projects to have a positive impact on our position on the copper cash cost curve going forward.

Net Cash Cost & Average Realized Copper Price¹



- (1) Cash cost included is net of by-product revenue. Realized copper price is the effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.

The tables below show our EBITDA Margins relative to our peers.



Safety First: A Robust and Proactive Safety Culture

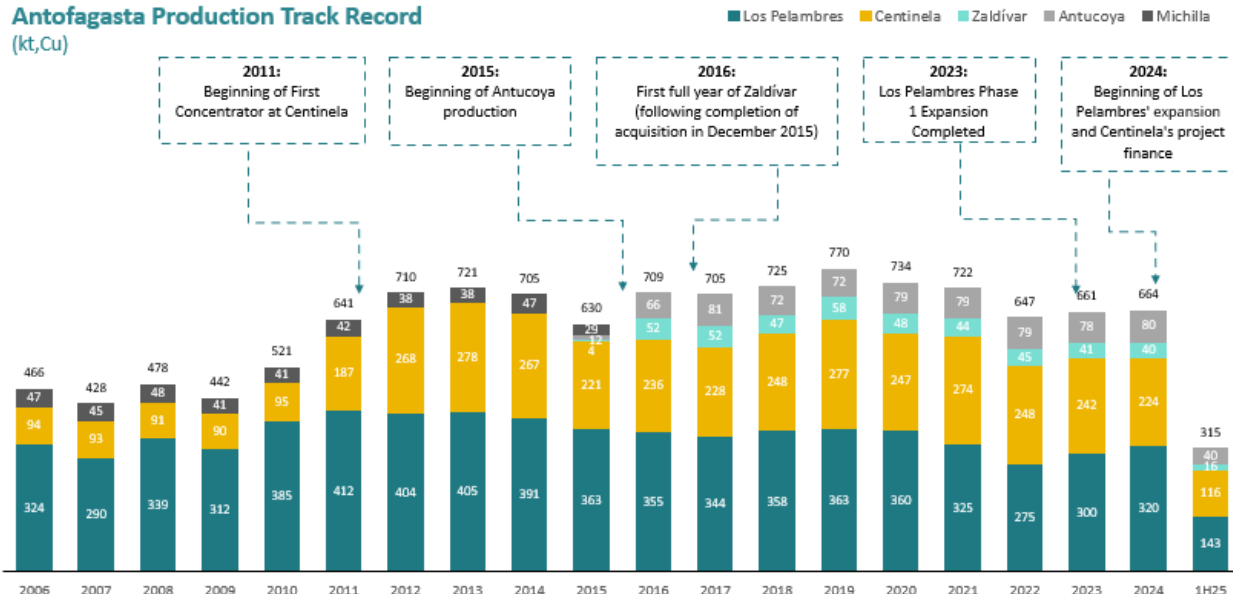
The health and safety of our employees is our first priority. Our Occupational Health and Safety Strategy is based on four pillars: occupational health and safety risk management; reporting, investigating and learning from our accidents; leadership; and contractor management. We strive to eliminate dangerous workplace conditions and behaviors with the goal of zero fatalities, zero occupational illnesses, and the development of a resilient culture and the automation of hazardous processes. We have undertaken intensive safety awareness campaigns with highly visible leadership from senior management, including monthly dedicated site visits by our chief executive officer or other key management personnel. Our leadership teams strive to share lessons learned across our operations and promote operational discipline in furtherance of our commitment to safety. We measure our overall safety performance with two main indicators: high-potential incidents (“HPIs”) and Lost Time Injury Frequency Rate (“LTIFR”). In the six-month period ended June 30, 2025, the Group recorded 8 HPIs, compared to 13 in the six-month period ended June 30, 2024, with the corresponding incidence rate for HPIs decreasing to 0.04 during the period (six-month period ended June 30, 2024: 0.08). In 2024, the Group recorded 21 HPIs, including zero HPIs at Zaldívar. In the six-month period ended June 30, 2025, our LTIFR decreased to 0.47 per million hours worked from 0.67 per million hours worked in the six-month period ended June 30, 2024, and in 2024, as compared to 2023, our LTIFR decreased by 10% to 0.57 per million hours worked as we continue to embed a safety-first culture, with improvements in leading and lagging indicators of safety. To emphasize and incentivize safety, we tie senior management and employee compensation to these safety metrics and safety performance.

Operational Discipline: Track Record of Delivering Sustainable Production

We are a leading copper producer with a demonstrated ability to successfully operate mines in Chile and consistently achieve production targets. Over the last decade, we have been able to sustain annual production levels despite significant volatility in metal prices and the impact of the ever-changing global political and economic environments. In the last 18 years, we have been able to increase our total copper production by over 40%, going from 466,000 tonnes in 2006 to 664,000 tonnes in 2024. We believe that our long-dated experience in the industry as a best-in-class operator, supported by our cost-efficient and environmentally and socially responsible business model will allow us to benefit from the anticipated increase in copper demand in the medium and long term and continue capitalizing on the currently strong market fundamentals and our competitive position in the market.

The table below sets out our production track record for the periods indicated.

Antofagasta Production Track Record (kt,Cu)



Cost Control Through Business Improvements

The global copper industry is a competitive landscape, with geological factors and inflation creating upward pressure on operating and capital costs, which in turn creates the need for continuous improvement and innovation. We have historically channeled our efforts to control and reduce costs through our Cost and Competitiveness Program, which began in 2015.

In 2024, we launched a new approach to managing this area, which was linked to the adoption of a revised Operational Excellence Management System (“OEMS”), with this new workstream known as the Competitiveness Program. Through the Competitiveness Program, we aim to competitively position ourselves on the global cash cost curve through a series of savings and efficiencies.

Since the inception of the above initiatives, these programs have delivered more than \$1.0 billion of savings and efficiencies, helping to support the Group’s competitiveness in the global copper industry.

The OEMS is designed to help the Group achieve its full potential through the establishment of three common goals: (1) clear Key Performance Indicators (“KPIs”) and objectives, (2) the creation of appropriate forums to discuss and enhance performance and (3) a clear pathway for achieving success. Continually improving and developing team performance enables teams to further enhance and improve their KPIs and objectives for further gains.

Total benefits of \$248 million were delivered in 2024, surpassing the target of \$200 million of combined savings and productivity improvements in the program’s first year, which was an ambitious target after the Cost and Competitiveness Program delivered \$135 million of benefits in 2023 and \$124 million in 2022. Relative to the total cost base of each mine, Antucoya delivered the highest proportional saving in 2024, which related to a reduction in key consumable usage, particularly sulphuric acid. In the six-month period ended June 30, 2025, the Program achieved benefits of \$60.3 million in the mining division, of which \$33.8 million reflected the value of productivity improvements and \$26.5 million reflected cost savings. Of the \$26.5 million of cost savings, \$26.2 million related to Los Pelambres, Centinela and Antucoya, and \$0.3 million related to Zaldívar (on a 100% basis).

Financial Discipline: Balance Sheet Management Facilitated by Disciplined Capital Allocation

Maintaining a strong balance sheet is one of our key focuses. We have implemented a strong capital allocation model, which focuses on sustaining capital expenditure and investing in mine development to maintain our processing plants' and mines' ability to deliver value. Consequently, we allocate capital to growth projects that generate returns consistent with our investment criteria, or alternatively we return excess capital in the form of a higher final dividend. This model is fundamental in making all of our financial decisions. Further, according to our dividend policy, we expect to pay a minimum dividend of 35% of underlying net earnings.

We have a proven track record of operational efficiency and project development execution—for example, three of our mines were developed by us. We have successfully executed several development and portfolio optimization projects in Chile, which have allowed us to improve the operational efficiency and copper production in our operations. Our focus on debottlenecking and incremental plant expansions at our existing mines to improve efficiency is key to our strategy, as these projects often have lower capital expenditure requirements and generate higher returns than greenfield projects.

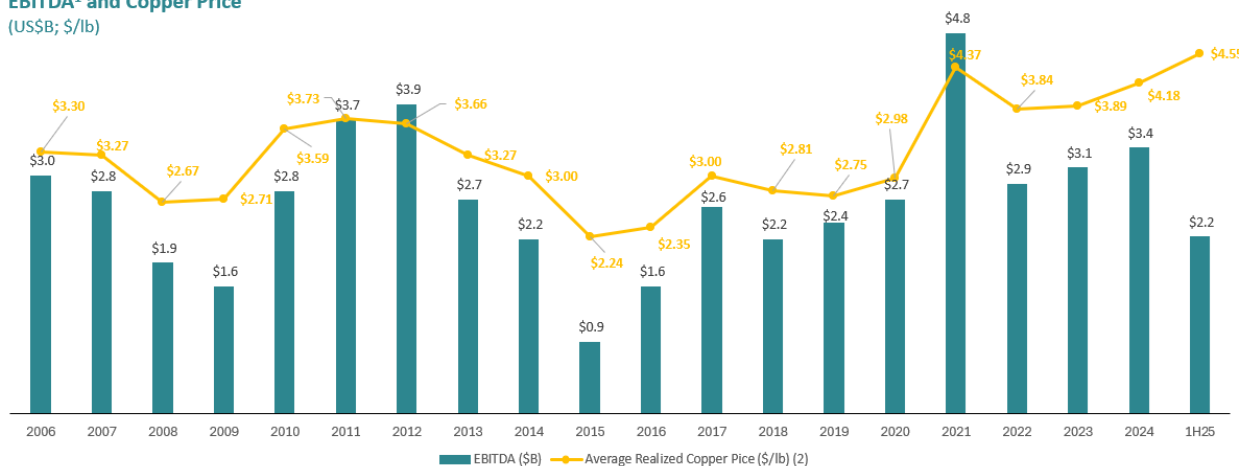
We have a portfolio of organic growth projects with two brownfield expansion projects in various stages of progress at our existing operations, including the Los Pelambres Expansion and the Centinela Second Concentrator Project. We believe our disciplined approach to capital spending allows us better to weather downturns in the copper markets and positions us to succeed when markets recover.

Historically, we have been able to generate cash flow well in excess of our capital expenditure and consequently, we have been able to maintain low levels of debt. During the fiscal year ended December 31, 2024 and the six-month period ended June 30, 2025, we generated \$2,285.3 million and \$1,153.8 million, respectively, in net cash from operating activities, and invested \$2,414.9 million and \$1,620.4 million, respectively, in capital expenditure. As at June 30, 2025, we held \$2,600.9 million of cash and cash equivalents and \$1,976.8 million of liquid investments. We have been able to maintain a strong EBITDA Margin despite copper price volatility, and for the year ended December 31, 2024 and the six-month period ended June 30, 2025, our EBITDA Margin was 52% and 59%, respectively. Despite the capital-intensive nature of our business, we have been able to carry out our capital expenditure plans and increase our copper production while maintaining a low leverage profile and a large liquidity position.

Cash Flow Generation Through the Commodity Cycle

We believe that the combination of a competitive and flexible cost structure and a strong financial position with modest leverage is key to supporting our business for the long term. Our financial policies promote a healthy balance sheet and underpin a business model that favors low leverage and enables the maintenance of strong cash flow generation, even amidst volatile market conditions in the metals market. The resilience of our balance sheet has been tested by the global financial crisis of 2008-2009, during the commodity price sell-off of 2015-2016, the COVID-19 pandemic and most recently by the imposition of tariffs on goods imported into the United States in 2025. We have historically maintained large cash balances and low levels of indebtedness, which has allowed us to maintain a long track record of profitability and consistent cash flow generation through the commodity cycle. Our cost-efficient operations coupled with our conservative financial profile have allowed us to successfully navigate prior volatile periods. We maintain strong banking relationships in the markets in which we operate and have maintained ready access to the bank loan market and the debt and equity capital markets. In recent years, we have completed several medium-term financing transactions, including asset-level financings. In March 2025, Los Pelambres completed a \$2 billion financing associated with its water assets.

EBITDA¹ and Copper Price
(US\$B; \$/lb)



- (1) Results of continuing operations only. EBITDA includes the proportional share of EBITDA from associates and joint ventures, including Zaldivar. EBITDA figures for 2006 through 2016 have not been adjusted to reflect the adoption of new accounting standards. This may have an impact on the comparability of EBITDA for such periods with EBITDA for the subsequent fiscal years, including those ended December 31, 2022, 2023 and 2024 and the six-month period ended June 30, 2025.
- (2) Realized copper price is the effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.

Commitment to Environmental, Social and Governance Excellence

We are dedicated to improving the sustainability of our operations; respect for the environment and active engagement with local communities are fundamental to our business. We maintain certifications from, and memberships in, key organizations championing ESG initiatives; additionally, we are currently included in the FTSE4Good and Bloomberg ESG Data Index. According to S&P Global, we are currently ranked 5th in the metals and mining industry in their Sustainability Yearbook for 2024. In addition, we are ranked in the top 10% in diversified metals in Sustainalytics ranking of ESG ratings in 2024.

We are also focused on reducing our carbon emissions. In line with the objectives of the Paris Agreement, we aim to (i) reduce our Greenhouse Gas (GHG) emissions in the short- and medium-term, (ii) achieve carbon neutrality in Scope 1 & 2 emissions by 2050 (or sooner, if technology allows), (iii) reduce Scope 1 and 2 emissions by 50% by 2035, using 2020 as a baseline, and (iv) reduce Scope 3 emissions by 10% by 2030, against the “no actions” scenario using 2022 as a baseline. Since 2019, we have been implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aligning our metrics and targets with the TCFD’s seven cross-industry climate-related metric categories, including GHG emissions and internal carbon prices. We give special priority to the potential financial impact of the transition and the physical risks involved, as well as to mitigation and adaptation measures, such as the opening of a desalination plant at Los Pelambres, which has become the first mining operation in central Chile to use sea water. Our holistic approach to decarbonization involves both our mining site operational teams and our corporate teams, who together deploy measures that aim to reduce GHG emissions from our productive processes. Given the importance and relevance of our decarbonization approach, in July 2023 we created the Decarbonization Project Management area within the Vice Presidency of Strategy and Innovation. In accordance with our Energy Policy framework, implemented in 2022, we have incorporated the role of Energy Administrator at each mining site. The role consists of leading and ensuring the implementation and improvement of the Energy Management System according

to Chilean Law No. 21,305 on Energy Efficiency. In addition, Energy Administrators supervise the achievement of decarbonization and energy targets through energy efficiency plans and GHG reduction. Since April 2022, all our mining operations have operated exclusively under renewable energy power supply contracts, reducing our Scope 2 emissions to nearly zero.

We have worked with the Communication and Supply teams to incorporate suppliers into our decarbonization target (Scope 3) with the aim of formulating a joint emissions mitigation plan. Carbon emission indicators are incorporated into our large project decisions, thus integrating the entire organization into our decarbonization plan. We conduct thorough analyses to establish whether a given purchase may have a positive or negative impact on our path to decarbonization or in relation to bank credits. Decarbonization initiatives are becoming an increasingly relevant aspect of financial evaluation packages. We strive to reduce our carbon footprint and, as part of these efforts, have worked with equipment manufacturers to incorporate technology solutions within the Group, targeting a reduction in our direct emissions, and within Scope 3 to include sustainability and carbon footprint reduction in our suppliers' processes.

In March 2024, we published our Climate Action Plan, which detailed our path to decarbonization. The plan is designed to be flexible and adaptable, recognizing that it is an evolving framework rather than a finalized course of action. While the plan currently prioritizes electrification as the most probable path, we maintain a technology-neutral stance considering that one solution might not fit all processes and operations, we remain open to integrating various economically efficient technologies and regularly update the plan to reflect market advancements.

With the introduction of the Centinela Second Concentrator Project, which is expected to commence operations in 2027, we anticipate an initial rise in absolute emissions. However, the ongoing adoption of modern, low-carbon technologies is expected to lead to a reduction in absolute emissions over time, even as copper production increases.

To achieve the Group's Scope 1 and 2 emissions reduction targets, we expect to gradually deploy innovation and modern technology throughout each operation, as technologies develop and become commercially viable. Two specific technologies are under consideration for reducing diesel consumption. The first is a transition to trolley-assist technology for haul trucks, with a pre-feasibility study underway to validate the overall benefits of this technology, and to assess its operating costs and additional operational factors such as changes to existing mine designs. The second is a potential pivot to battery technology across the Group's fleet of haul trucks, with a transition timeframe dependent on the availability of charging solutions (dynamic and stationary) at a competitive cost. To date, we have adopted, or are trialling, a range of modern technologies to reduce emissions, principally focusing on diesel consumption, including:

- the adoption of autonomous mining equipment at Centinela, which is expected to deliver long-term efficiency savings in fuel consumption and productivity;
- a trial of trolley-assist technology at Los Pelambres, with test work commencing in 2025;
- battery-electric buses for transporting our workforce, together with electric light vehicles and ancillary mining equipment; and
- the trial of hydrogen use in our Transport division, with the delivery of South America's first hydrogen locomotive in 2024.

As part of our commitment to local communities, we implemented a Social Management Model at our four mining operations. It serves as a vehicle through which to apply common engagement principles, methodologies and practices across our operations, measure impacts and manage risks. Our engagement

with local stakeholders is based on the principles of dialogue, collaboration, traceability, excellence and transparency. In the year ended December 31, 2024, we invested \$49 million on social projects near our operations.

As part of our commitment to mitigating and adapting to climate change, in the six-month period ended June 30, 2025 and the year ended December 31, 2024, sea water accounted for 63% and 58%, respectively, of our Mining division's operational water withdrawals. In 2024, water reuse and recycling rates at our mining operations averaged 83% for the division. Such water reuse and recycling rates average is high compared to the average for Chile's copper mining industry, which reached approximately 74% in 2022, according to the Chilean Copper Commission.

We are committed to demonstrating how our strategies, policies and targets are supported by concrete actions and how we measure the impact of these activities. As part of this process, we complement our regular Sustainability Reports with reporting under the Task Force on Climate-related Financial Disclosure framework, which provides an extra level of disclosure.

Experienced Management with Deep Bench Strength

Our experienced management team is critical to maintaining our current operations, implementing development projects and achieving long-term growth without major disruption. Our Employee Performance Management System is designed to attract and retain key employees by creating suitable reward and remuneration structures and providing personal development opportunities. We have a talent management system to identify and develop internal candidates for key management positions, as well as identifying suitable external candidates where appropriate.

Our Strategy

We intend to maintain our position as one of the world's largest copper producers and increase our production. There are five key elements of our strategy:

Develop Our People and Culture

Our goal is to create and nurture a working environment that incorporates new ways of thinking, with innovation at the forefront, to tackle current and future challenges. We strive to inspire people to tackle more complex and dynamic problems, and to develop new management approaches to solve them. The demands of today's and tomorrow's adaptive challenges require us to collaborate and excel while developing new skills. We aim to truly understand what our people value, to treat them fairly, and to engage and inspire them based on their personal motivations and unique qualities as individuals. This is a challenge that requires us to change the understanding of the traditional employment relationships within the Company. We will continue to drive forward our cultural transformation, promoting the organization as a safe and supportive space that actively listens, empathizes, connects and builds strong relationships with our people.

Safety and Sustainability as Cornerstone of Our Business Model

We aim to create value and growth throughout the mining lifecycle, from exploration to mine closure. Our goal is to be a company known for its ethical and transparent conduct, respectful of human rights and the law. To achieve this, we are determined to continue to develop a comprehensive and long-term commitment to all of our stakeholders, particularly our workers and the communities in which we operate. We align ourselves with the UN Sustainable Development Goals (SDG), developing responsible mining practices that are certified by the Copper Mark and ICMC's Performance Expectations. We prioritize the efficient use of renewable natural resources and the reduction of our greenhouse gas (GHG) emissions by using sea water and energy from cleaner sources. All of this is done while focusing on the

occupational health and safety of all our employees and contractors. We do this through the active leadership of our workers, who by their responsible behavior and proactive management of risks and critical controls work to provide a safe and healthy working environment for all.

The key elements of our sustainability framework include our Climate Change Strategy (including targets and metrics for water consumption and CO₂ emissions) in conjunction with adopting the principles of the Task Force on Climate-Related Financial Disclosures, tying management compensation plans to safety, people, environmental and social performance outcomes and compiling an annual, externally-assured sustainability report in accordance with Global Reporting Initiative Standards. Our sustainability efforts are well-documented in the industry: we were included in the 2024 S&P Global Sustainability Yearbook, we are a member of the International Council on Mining and Metals (an association of the world's largest mining companies that promotes sustainable mining, develops standards and encourages its members to adopt best practices, "ICMM"), we publicly disclose our Climate Change and Water Management initiatives through the Carbon Disclosure Project ("CDP"), our Sustainability Report, Climate Change reports and Climate Action Plan and we are signatory to the United Nations Global Compact. These efforts have been rated by Morgan Stanley Capital International ("MSCI"), Sustainalytics, S&P Global and the CDP.

Enhance Competitiveness by Increasing Productivity with a Focus on Operating Excellence

Competitiveness is essential as it ensures resilience and makes the business viable. By producing copper efficiently we are able to grow and contribute to the development of mining while promoting the energy transition. We aim to maintain our strong financial position through efficient capital allocation, the proper execution of our projects and the renewal of our asset portfolio, allowing us to continue operating and growing as we address increasingly complex challenges. We strive to be one of the most cost-competitive companies in the industry, and towards that end, we are dedicated to achieving excellence in our work and seeking new and efficient ways to manage our operations. Additionally, we are undergoing a process of operational transformation that allows us to integrate technology and innovation, utilise data analytics and promote efficient resource management by strengthening key operational processes that we believe will enable us to achieve the full potential of our assets' performance.

Disciplined Growth

Growth enables us to maintain our viability and fulfil our purpose. It allows us to realise the full potential of our resources and assets, creating additional value and diversifying risk. To accomplish this, we aim to: (1) expand and increase the Group's production capabilities by building projects such as Los Pelambres Expansion and the Centinela Second Concentrator Project and (2) increase our mineral resource base through the exploration for new resources and/or the development of new ore deposits. Our strategy for growth beyond our existing operations is focused on producing copper and its by-products in the Americas (particularly Chile, Peru, the United States and Canada), a region that is highly attractive due to its geological potential, mining activity, relative proximity to our existing portfolio of operating assets, political and administrative similarities, culture and language.

Innovation

We aim to create new ways of operating and using existing technology more effectively, incorporating our own and others' learning to improve performance. We further aim to discover new ways of advancing our operations through the early adoption of modern technology. With our experience we are convinced that we can contribute to the development of new solutions, such as Cuprochlor®-T, integrated remote operations centres (IROCs), autonomous haulage and drilling, advanced analytics and data management for decision-making, robotics for tailings and water management, decarbonisation of our processes and dust suppression. Our Innovation Roadmap serves as a guide for the Group to achieve our

operational vision for the future. This allows our operations to become smart, integrated and sustainable, optimising the use of strategic resources such as water and energy.

Recent Developments

Interim Dividend

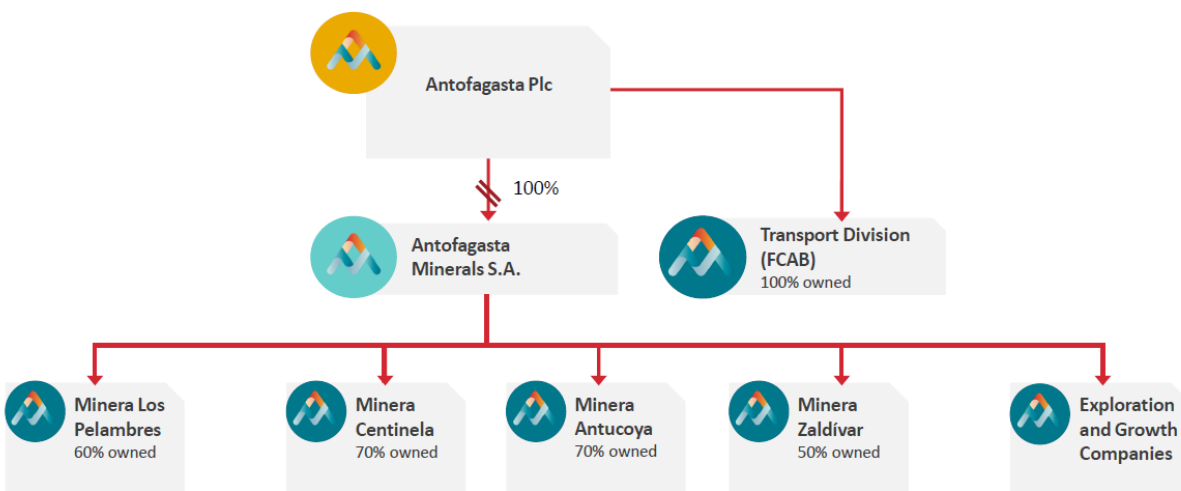
The Board has declared an interim dividend for the first half of 2025 of 16.6 cents per ordinary share, which amounts to \$163.7 million and will be paid on September 30, 2025 to shareholders on the share register at the close of business on September 5, 2025.

Corporate Information

We are a listed public limited company incorporated under the laws of England and Wales, listed on the London Stock Exchange since 1888, with a market capitalization of \$27 billion based on the 30-day volume-weighted average as of August 28, 2025. Our shares are admitted to trading on the Main Market of the London Stock Exchange and our ordinary shares are a component of the FTSE 100, the share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.

The E. Abaroa Foundation is a controlling shareholder of the Company for the purposes of the UK Listing Rules and certain other shareholders of the Company are also treated as controlling shareholders.

The following chart summarizes our corporate structure as of the date of this listing memorandum, including our material subsidiaries and joint ventures and our percentage ownership in them. For clarity of presentation, the chart identifies only our main subsidiaries and joint ventures and eliminates intermediate holding companies.



THE OFFERING

The following is a brief summary of certain terms of the offering. For a more complete description of the terms of the offering, see “Description of the Notes” in this listing memorandum. Capitalized terms used but not defined herein have the meanings assigned to such terms therein and in the indenture. You should carefully consider the risk factors under the caption “Risk Factors” before purchasing any notes offered hereby.

The Issuer.....	Antofagasta plc
Notes Offered.....	U.S.\$600,000,000 aggregate principal amount of 5.625% senior unsecured notes due 2035 payable in U.S. dollars.
Issue Date.....	September 9, 2025.
Maturity Date.....	September 9, 2035.
Interest	The notes will bear interest at a fixed rate of 5.625% per annum, payable semi-annually in arrears on March 9 and September 9 of each year, commencing on March 9, 2026. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.
Ranking.....	The notes will be direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer and will rank without any preference among them and equally with all other unsecured and unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law).
Use of Proceeds.....	We intend to use the net proceeds of the notes for general corporate purposes. See “Use of Proceeds.”
Indenture	The notes will be issued under an indenture, dated October 14, 2020, to be amended and supplemented by a supplemental indenture to be entered into in respect of the notes between the Issuer and The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar.
Optional Redemption	Prior to June 9, 2035 (three months prior to their maturity date) (the “Par Call Date”), the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined herein) plus

	25 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of the notes to be redeemed; plus, in either case, accrued and unpaid interest thereon to the Redemption Date. On or after the Par Call Date, the Issuer may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the Redemption Date. See “Description of the Notes — Maturity, Optional Redemption.”
Tax Redemption.....	The notes are redeemable, at a price equal to 100% of the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to the redemption date, if, as a result of any change in, or amendment to the laws of the Relevant Taxing Jurisdiction, the issuer has or will become obligated to pay Additional Amounts on the applicable notes. See “<i>Description of the Notes—Tax Redemption.</i>”
Covenants.....	The indenture contains covenants that, among other things: • limit our ability to consolidate, amalgamate or merge with or into, or to sell, transfer, lease or convey all or substantially all our properties and assets to another person; • limit our ability to (i) issue, assume or guarantee any indebtedness for borrowed money if such indebtedness is secured, or (ii) secure any outstanding indebtedness for borrowed money, in each case, by a Lien upon any Principal Property or upon any shares of stock of, or indebtedness for borrowed money of, any Material Subsidiary, now owned or hereafter acquired, without effectively providing that the notes shall be secured equally and ratably with such indebtedness, with certain exceptions; • limit our ability to enter into sale-and-lease-back transactions, meaning any arrangement with any person (other than the Issuer or a Material Subsidiary), or to which any such person is a party, providing for the leasing to the Issuer or a

Material Subsidiary for a period of more than three years of any Principal Property which has been or is to be sold or transferred by the Issuer or such Material Subsidiary to such person or to any person (other than the Issuer or a Material Subsidiary) to which funds have been or are to be advanced by such person on the security of the leased Principal Property; and require us to furnish to the holders of notes, upon request, certain periodic financial and other information.

These covenants are subject to a number of important limitations and exceptions. See “*Description of the Notes—Covenants.*”

Payment of Additional Amounts	In the event that the withholdings or deduction of taxes, assessments, duties or governmental charges is required by law or regulation, the Issuer will, with limitations, pay to each holder such additional amounts as may be necessary in order that each net payment on such note after such deduction or withholding will not be less than the amount provided for in such note to be then due and payable. See “ <i>Description of the Notes—Payment of Additional Amounts.</i> ”
Plan of Distribution; Form of Notes	The Issuer is offering and selling the notes in the United States only to “qualified institutional buyers” in reliance on Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. The notes will be issued in definitive, fully registered form, without coupons and will be exchangeable, and transfers thereof will be registrable, at the office of the registrar for the notes. See “ <i>Description of the Notes—Registration, Form and Delivery.</i> ”
Minimum Denominations	The notes will be denominated and payable in U.S. dollars and will be issued in minimum denominations of U.S.\$200,000 and multiples of U.S.\$1,000 in excess thereof.
Transfer Restrictions; Trading	The notes have not been registered under the Securities Act or any state securities laws, and we are not required to and currently do not plan on making any such registration in the immediate future. As a result, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period

	of time. Following the initial offering of the notes, the notes may be resold to qualified institutional buyers pursuant to Rule 144A, non-U.S. persons in reliance on Regulation S and pursuant to Rule 144 under the Securities Act, as described under “Transfer Restrictions.” Currently there is no market for the notes. Although application will be made to the London Stock Exchange for the notes to be admitted to trading on the Main Market of the London Stock Exchange, a trading market for the notes may not develop, or if a market for the notes were to develop, the notes may trade at a discount from their initial offering price, depending upon many factors, including the number of holders of notes, prevailing interest rates, the market for similar securities, general economic conditions and our results of operations and financial condition. See “<i>Risk Factors—Risks Relating to the Notes—The Notes are subject to restrictions on transfer</i>” and “<i>—An active trading market for the notes may not develop.</i>”
United States Federal Income Tax Consequences.....	For a discussion of the United States tax treatment of the notes, see “ <i>Taxation—United States Federal Income Tax Consequences.</i> ”
Clearance and Settlement.....	The notes have been accepted for trading in book-entry form by DTC and its direct and indirect participants. For the Rule 144A notes, the ISIN number is US03718NAD84 and the CUSIP number is 03718NAD8. For the Regulation S notes, the ISIN number is USG0399BAC12 and the CUSIP number is G0399BAC1. For a description of certain factors relating to clearance and settlement, see “ <i>Listing and General Information.</i> ”
Listing	Application will be made to the FCA for the notes to be admitted to the official list of the FCA and to the London Stock Exchange plc for such notes to be admitted to trading on the London Stock Exchange’s regulated market. The Main Market is a regulated market for the purposes of UK MiFIR. Such approval relates only to the notes which are to be admitted to trading on the Main Market.
Governing Law	The notes and the indenture will be governed by, and will be construed and interpreted in accordance with, the laws of the State of New York.
Trustee, Paying Agent, Transfer Agent and Registrar.....	The Bank of New York Mellon.

Risk Factors	Prospective investors should carefully consider the information under “ <i>Risk Factors</i> ” in connection with the other information contained in this listing memorandum.

SUMMARY OF FINANCIAL AND OTHER INFORMATION

You should read the following summary financial data and other information in conjunction with our Financial Statements, which include the notes thereto, and the information set forth in the sections “Presentation of Financial and Certain Other Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” appearing elsewhere in this listing memorandum.

The financial information as of and for each of the years ended December 31, 2022, 2023 and 2024 has been derived from our Annual Audited Financial Statements. The unaudited financial information as of and for the six-month periods ended June 30, 2025 and 2024 has been derived from our reviewed Interim Unaudited Financial Statements.

The following tables set forth the consolidated income statement for each of the periods presented.

	Year Ended December 31,		
	2022	2023	2024
	(in millions of U.S. dollars)		
Consolidated Income Statement			
Revenue	5,862.0	6,324.5	6,613.4
Total operating costs	(4,227.7)	(4,541.7)	(4,604.7)
Operating profit	1,634.3	1,782.8	2,008.7
Net share of results from associates and joint ventures	48.1	(13.5)	76.2
Gain on disposal of investment in joint venture	944.7	-	-
Operating profit and share of total results from associates and joint ventures	2,627.1	1,769.3	2,084.9
Investment income	40.2	138.1	184.2
Interest expense	(78.6)	(105.6)	(312.2)
Other finance items	(29.8)	163.7	114.2
Net finance income/(expense)	(68.2)	196.2	(13.8)
Profit before tax	2,558.9	1,965.5	2,071.1
Income tax expense	(603.6)	(666.1)	(755.1)
Profit for the year	1,955.3	1,299.4	1,316.0
Attributable to:			
Non-controlling interests	422.3	464.3	486.6
Owners of the parent	1,533.0	835.1	829.4

	Six-Month Period Ended	
	June 30,	
	2024	2025
	(in millions of U.S. dollars)	
Consolidated Income Statement		
Revenue	2,955.2	3,799.4
Total operating costs.....	(2,283.9)	(2,524.6)
Operating profit	671.3	1,274.8
Net share of results from associates and joint ventures	17.2	33.3
Operating profit and share of total results from associates and joint ventures	688.5	1,308.1
Investment income.....	73.5	84.6
Interest expense	(132.1)	(177.8)
Other finance items.....	82.7	(52.9)
Net finance income/(expense)	24.1	(146.1)
Profit before tax	712.6	1,162.0
Income tax expense	(299.5)	(370.1)
Profit for the period	413.1	791.9
Attributable to:		
Non-controlling interests	153.5	270.3
Owners of the parent	259.6	521.6

The following table sets forth our consolidated balance sheet for each of the periods presented.

	As of December 31,			As of
	2022	2023	2024	June 30,
	(in millions of U.S. dollars)			2025
Consolidated Balance Sheet				
Non-current assets				
Property, plant and equipment.....	11,543.5	12,678.7	13,917.0	14,938.4
Other non-current assets.....	1.1	—	—	—
Inventories.....	347.0	457.0	707.8	742.1
Investment in associates and joint ventures.....	904.6	891.1	1,766.1	1,793.4
Trade and other receivables.....	51.0	68.5	54.4	55.3
Equity investments	90.5	288.6	11.6	11.3
Deferred tax assets	78.5	72.0	9.7	4.2
Total non-current assets	13,016.2	14,455.9	16,476.6	17,544.7
Current assets				
Inventories.....	708.1	671.0	925.1	812.0
Trade and other receivables.....	2,087.2	1,117.8	899.5	1,021.2
Other financial asset	—	457.2	—	—
Current tax assets	35.6	25.9	17.4	118.5
Liquid investments	1,580.8	2,274.7	2,127.1	1,976.8
Cash and cash equivalents.....	810.4	644.7	2,189.2	2,600.9
Total current assets	5,222.1	5,191.3	6,158.3	6,529.4
Total assets	18,238.3	19,647.2	22,634.9	24,074.1
Current liabilities				
Short-term borrowings and other financial liabilities...	(432.5)	(901.9)	(1,322.5)	(421.0)
Trade and other payables.....	(1,079.7)	(1,171.5)	(1,320.3)	(1,214.8)
Short-term decommissioning and restoration provisions.....	(33.2)	(15.2)	(5.9)	(4.2)
Derivative financial instruments.....	—	—	(20.4)	(1.4)
Current tax liabilities.....	(60.4)	(100.7)	(106.4)	(163.6)
Total current liabilities	(1,605.8)	(2,189.3)	(2,775.5)	(1,805.0)

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
Non-current liabilities				
Medium- and long-term borrowings and other financial liabilities.....	(2,844.5)	(3,177.3)	(4,622.9)	(6,444.4)
Trade and other payables.....	(8.0)	(9.8)	(10.2)	(5.2)
Derivative financial instruments.....	—	—	(5.1)	—
Post-employment benefit obligations	(137.3)	(139.9)	(152.2)	(167.1)
Decommissioning and restoration provisions.....	(455.0)	(425.9)	(422.1)	(430.2)
Deferred tax liabilities	(1,543.3)	(1,656.6)	(1,692.7)	(1,653.9)
Total non-current liabilities.....	(4,988.1)	(5,409.5)	(6,905.2)	(8,700.8)
Total liabilities	(6,593.9)	(7,598.8)	(9,680.7)	(10,505.8)
Net assets	11,644.4	12,048.4	12,954.2	13,568.3
Equity				
Share capital	89.8	89.8	89.8	89.8
Share premium	199.2	199.2	199.2	199.2
Other reserves.....	5.0	104.5	(18.2)	(4.5)
Retained earnings	8,333.5	8,558.4	9,191.4	9,440.8
Equity attributable to equity owners of the parent .	8,627.5	8,951.9	9,462.2	9,725.3
Non-controlling interests.....	3,016.9	3,096.5	3,492.0	3,843.0
Total equity	11,644.4	12,048.4	12,954.2	13,568.3

The following table sets forth our summary cash flow statement for each of the periods presented.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Summary cash flow statement					
Cash flows from operations	2,738.3	3,027.1	3,276.2	1,483.9	1,812.0
Interest paid	(74.3)	(166.0)	(324.1)	(129.8)	(236.8)
Income tax paid	(787.1)	(528.1)	(666.8)	(316.8)	(421.4)
Net cash from operating activities	1,876.9	2,333.0	2,285.3	1,037.3	1,153.8
Net cash used in investing activities	(477.5)	(2,093.0)	(2,081.6)	(1,652.2)	(1,357.4)
Net cash used in financing activities	(1,333.8)	(402.0)	1,346.4	1,482.0	605.5
Cash and cash equivalents at beginning of period	743.4	810.4	644.7	644.7	2,189.2
Net (decrease)/increase in cash and cash equivalents	65.6	(162.0)	1,550.1	867.1	401.9
Foreign exchange (losses)/gains	1.4	(3.7)	(5.6)	(3.3)	9.8
Cash and cash equivalents at end of period	810.4	644.7	2,189.2	1,508.5	2,600.9

The following table sets forth EBITDA for each of the periods presented.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
EBITDA⁽¹⁾	2,929.7	3,087.2	3,426.8	1,394.4	2,234.2

- ⁽¹⁾ EBITDA is a non-IFRS alternative performance measure that refers to Earnings Before Interest, Tax, Depreciation and Amortization, including 100% of the EBITDA from the Group's subsidiaries and the Group's proportionate share of the EBITDA of its associates and joint ventures. EBITDA is calculated by adding back depreciation, amortization, profit or loss on disposals and impairment charges or reversals to operating profit. 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 and equipment or the particular financing structure adopted by the business. See "Presentation of Financial and Certain Other Information" for further details.

The following table sets forth a reconciliation of EBITDA to operating profit for each period presented.

	Year Ended December 31,			Twelve-Month Period Ended June 30,	Six-Month Period Ended June 30,	
	2022	2023	2024	2025	2024	2025
	(in millions of U.S. dollars)					
Operating profit.....	1,634.3	1,782.8	2,008.7	2,612.2	671.3	1,274.8
Depreciation and amortization	1,141.1	1,211.3	1,568.2	1,778.7	647.2	857.7
Loss on disposals of property, plant and equipment.....	2.1	—	5.6	7.9	—	2.3
Reversal of impairment	—	—	(371.4)	(371.4)	—	—
Proportional share of EBITDA from Zaldívar.....	147.2	86.8	99.9	97.0	50.9	48.0
Proportional share of EBITDA from other associates and joint ventures	5.0	6.3	115.8	142.2	25.0	51.4
EBITDA	2,929.7	3,087.2	3,426.8	4,266.6	1,394.4	2,234.2

The following table sets forth how EBITDA Margin is calculated for each period presented.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Revenue ⁽¹⁾	5,862.0	6,324.5	6,613.4	2,955.2	3,799.4
EBITDA ⁽²⁾	2,929.7	3,087.2	3,426.8	1,394.4	2,234.2
EBITDA Margin.....	50%	49%	52%	47%	59%

(1) Revenue does not include the net share of results from associates and joint ventures.

(2) EBITDA includes the proportional share of EBITDA from associates and joint ventures, including Zaldívar.

The following table sets forth a reconciliation of Net Debt for each period presented.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Cash and cash equivalents.....	810.4	644.7	2,189.2	1,508.5	2,600.9
Liquid investments	1,580.8	2,274.7	2,127.1	2,923.7	1,976.8
Short-term borrowings and other financial liabilities	432.5	901.9	1,322.5	1,460.8	421.0
Medium and long-term borrowings and other financial liabilities	2,844.5	3,177.3	4,622.9	4,410.0	6,444.4
Net Debt	885.8	1,159.8	1,629.1	1,438.6	2,287.7

The following table sets forth a reconciliation of total operating costs to net cash costs for the periods presented.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Total operating costs	4,227.7	4,541.7	4,604.7	2,283.9	2,524.6
Exceptional items	—	—	371.4	—	—
Zaldívar operating costs (attributable basis – 50%).....	234.4	263.1	267.6	123.7	113.8
Less:					
Depreciation	(1,141.1)	(1,211.3)	(1,568.2)	(647.2)	(857.7)
Loss on disposal	(2.1)	—	(5.6)	—	(2.3)
Corporate and other items – Total operating costs (excluding depreciation and loss on disposals and reversal of the provision against carrying value of assets)	(75.0)	(98.7)	(72.8)	(42.4)	(46.9)
Exploration and evaluation – Total operating costs (excluding depreciation and loss on disposals and reversal of the provision against carrying value of assets) ⁽¹⁾	(113.0)	(141.1)	(52.7)	(26.8)	(25.7)
Transport division – Total operating costs (excluding depreciation and loss on disposals and reversal of the provision against carrying value of assets)	(119.1)	(120.7)	(125.6)	(59.2)	(52.1)
Closure provision and other expenses not included within cash costs.....	(97.6)	(102.7)	(117.5)	(75.6)	(56.2)
Inventories variation.....	(12.0)	(13.6)	39.9	44.4	(8.3)
Drilling costs & evaluation ⁽¹⁾	—	—	(98.9)	(45.4)	(33.2)
Total costs relevant to the mining operations' cash costs.....	2,902.2	3,116.7	3,242.3	1,555.4	1,556.1
Copper production volumes (tonnes)⁽²⁾.....	646,200	660,600	663,950	284,700	314,900
Cash costs excluding treatment and refining charges and by-product revenue (\$/tonne)	4,491	4,718	4,883	5,463	4,942
Cash costs excluding treatment and refining charges and by-product revenue (\$/lb)	2.05	2.14	2.21	2.48	2.24
<i>Reconciliation of cash costs before deducting by-product revenue</i>					
Treatment and refining charges – Los Pelambres.....	108.5	155.3	154.7	79.8	34.9
Treatment and refining charges – Centinela.....	78.8	95.4	65.9	27.8	21.7
Treatment and refining charges – total	187.3	250.7	220.6	107.6	56.6
Copper production volumes (tonnes)⁽²⁾.....	646,200	660,600	663,950	284,700	314,900
Treatment and refining charges (\$/tonne).....	289.9	379.4	332.2	378.0	179.6
Treatment and refining charges (\$/lb).....	0.14	0.17	0.16	0.17	0.08
Cash costs excluding treatment and refining charges and by-product revenue (\$/lb)	2.05	2.14	2.21	2.48	2.24
Treatment and refining charges (\$/lb)	0.14	0.17	0.16	0.17	0.08
Cash costs before by-product credits (\$/lb)	2.19	2.31	2.37	2.65	2.32
By-product credits (\$/lb)	(0.58)	(0.70)	(0.73)	(0.71)	(1.00)
Net Cash Costs (\$/lb)⁽³⁾.....	1.61	1.61	1.64	1.94	1.32

⁽¹⁾ In order to better reflect the Group's internal reporting, starting in the year ended December 31, 2024, the Group changed the classification of certain evaluation costs incurred by the individual mining operations. Previously, these evaluation costs were classified as exploration and evaluation costs. These costs are now included within the costs attributed to the individual mine segments. The exploration and evaluation costs for the years ended December 31, 2023 and 2022 presented in this table have not been restated to conform to this reclassification. The Total costs relevant to the mining operations' cash costs for each of the periods presented are not impacted by this change. Refer to Note 6 to the 2024 Audited Financial Statements for further details.

⁽²⁾ For the six-month period ended June 30, 2025, the 314,900 tonnes includes 16,000 tonnes of production at Zaldívar on a 50% attributable basis. For the six-month period ended June 30, 2024, the 284,700 tonnes includes 18,900 tonnes of production at Zaldívar on a 50% attributable basis. For the year ended December 31, 2024, the 663,950 tonnes includes 40,100 tonnes of production at Zaldívar on a 50%

attributable basis. For the year ended December 31, 2023, the 660,600 tonnes includes 40,500 tonnes of production at Zaldívar on a 50% attributable basis. For the year ended December 31, 2022, the 646,200 tonnes includes 44,500 tonnes of production at Zaldívar on a 50% attributable basis.

- (3) Cash costs and net cash costs are non-IFRS alternative performance measures of the cost of operational production expressed in terms of cents per pound of payable copper produced. See “Presentation of Financial and Certain Other Information.” Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs. For Los Pelambres and Centinela, cash costs are stated net of by-product credits and include treatment and refining charges for concentrates. Net cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.

The following table sets forth how our Net Debt/EBITDA, or leverage, is calculated for the periods presented.

	Twelve-Month Period Ended December 31,			Twelve-Month Period Ended June 30,
	2022	2023	2024	2025
	(in millions of U.S. dollars)			
Net Debt	885.8	1,159.8	1,629.1	2,287.7
EBITDA	2,929.7	3,087.2	3,426.8	4,266.6 ⁽¹⁾
Net Debt/EBITDA	0.30x	0.38x	0.48x	0.54x

- (1) Net Debt/EBITDA, or leverage, is calculated as Net Debt at the period-end date divided by EBITDA for the last twelve months. This figure represents EBITDA for the twelve-month period ended June 30, 2025.

RISK FACTORS

An investment in the notes involves risks. The following describes what we believe to be the principal risks and uncertainties that could materially affect us, but these are not the only risk factors that we face. Risks may materialize individually, simultaneously or in combination and there may be additional risks unknown to us and other risks, currently believed to be immaterial, which could adversely affect our business, results of operations or financial condition. Unless otherwise specified, the risks apply in the context of the Group and are also applicable to the Company. The risk factors outlined below omit the management detail on how each is managed and mitigated. For information on how we manage these risks, please see “—Business—Risk Management” in this listing memorandum.

The principal risks and uncertainties should be considered in connection with any forward-looking statements in this listing memorandum and the cautionary statement on page vii of this listing memorandum. Prior to making a decision about investing, you should carefully read and consider, among other matters and the other information in this document, these principal risks and uncertainties.

Risks Relating to Our Business and Chile

Our growth and profitability depend on political stability and economic activity in Chile.

All our revenues are derived from our operations in Chile. As a result, our results of operations and overall financial condition depend greatly on access to Chilean markets for labor and certain materials and equipment and a social and political license to operate. Chile has been, and in the future may continue to be, subject to political uncertainty. For example, in 2020 Chile held a nationwide referendum which resulted in the approval of a plan to draft a new constitution following protests concerning social demands related to pensions, healthcare and education.

Between September 2022 and December 2023, the people of Chile voted against two proposals for a new constitution and the Chilean government has indicated that they will not be seeking a third process to change the constitution. However, there are elections at the end of 2025 which may change the composition of the Chilean government, and there can be no assurance that future developments in or affecting the Chilean political situation or economy, including as a result of any future periods of political unrest or subsequent attempts to amend the constitution, or as a result of economic or political instability in other emerging markets, will not result in material and adverse effects on our business, financial condition or results of operations.

The Chilean government has exercised, and continues to exercise, substantial influence over many aspects of the private sector and has changed monetary, fiscal, tax and other policies to influence the Chilean economy. We have no control over, and cannot predict, how any future constitutional referendums or government intervention and policies will affect the Chilean economy or, directly and indirectly, our results of operations and financial condition. Furthermore, we cannot assure you that measures impacting private investment, such as the nationalization or expropriation of certain assets or higher taxation, will not be implemented, and we cannot assure you that business-friendly and open-market economic policies that stimulate economic growth and stability will continue.

Issues regarding the granting of permits, or amendments to permits already granted, and changes to the legal environment or regulations, could adversely affect our operations and development projects.

Many of our mineral rights and interests are subject to government approvals, licenses and permits, some of which are subject to the discretion of applicable governments or governmental officials. No assurance can be given that we will be successful in obtaining or renewing any or all of the necessary permits at our operations, or any or all of such other approvals, licenses and permits required to operate our businesses in the future and develop our projects in full force and effect or without modification or

revocation, or that underlying laws pursuant to which these approvals, licenses and permits are obtained will not change. Any changes to laws and regulations governing mining concessions and access and use of water or energy could alter the rights that we hold and could adversely affect our business, results of operations or financial condition.

Certain of our exploration and development projects have been, and in the future may continue to be, delayed, potentially indefinitely, if we are unable to obtain the necessary permits, licenses or approvals. For example, our development plans with respect to Twin Metals Minnesota, a mining project in north-eastern Minnesota, United States, have been delayed and put on hold pending ongoing litigation as a result of actions taken by U.S. government agencies, including the cancellation of certain mining leases.

Our exploration, mining and transport activities are subject to laws and regulations which change from time to time. Matters subject to regulation include, among others, conditions to obtain and maintain mining concessions, the duration and scope of mining concessions, concession fees, transportation, production, reclamation, closure procedures and remediation, export, taxation, royalties and labor standards. There can be no assurance that changes in existing laws and regulations, the adoption of additional laws and regulations, or the discovery of new facts resulting in increased liabilities or costs would not adversely affect our business, results of operations or financial condition.

Global economic, political and regulatory developments, tariff threats and trade tensions may adversely affect our business, results of operations or financial condition.

Sales to customers outside Chile constitute almost all of our revenues, and we anticipate they will continue to do so for the foreseeable future. In particular, the price and demand for copper are heavily influenced by China, which accounted for over 55% of total copper demand in 2024. As a result, the price and demand for copper can be easily affected by global economic, political and regulatory developments which affect China. Governmental action related to tariffs or trade agreements or policies, as well as general disruptions in the financial markets globally, are difficult to predict and could adversely affect copper prices, demand for our products, our costs, our customers, our suppliers and the global economy, which in turn could have a material adverse effect on our business, results of operations or financial condition. For example, in April 2025, tariffs were enacted by the United States government for imports from several countries, including China. Most of these tariffs were paused but went into effect on August 1, 2025, though the tariffs between the United States and China have been paused until November 2025. Although our sales to date have not been significantly affected by these developments, a continued slowing in China's economic growth or changes in China-U.S. relations, or other general market disruptions or governmental action related to tariffs or trade agreements or policies, could impact demand for copper globally, which in turn could adversely affect our business, results of operations or financial condition. In addition, on July 30, 2025, the United States also announced a 50% tariff on imports of semi-finished copper products and copper-intensive derivative products effective August 1, 2025. The financial markets reacted to these developments, causing fluctuations in the market prices for our main products. We cannot assure that the market prices of our products, our financial condition or our results of operations will not be adversely affected by any potential future developments related to tariffs, trade tensions or regulatory uncertainty.

Further, the military conflict in Ukraine and the corresponding implementation of economic sanctions, export controls and other restrictive measures by the United States, the UK, the European Union and other jurisdictions against Russia have caused global market volatility and, in particular, have impacted global energy, supply chain and financial markets. These laws and regulations are complex, frequently changing, and increasing in numbers, and they may impose additional prohibitions or compliance obligations on dealings in certain countries and territories, including sanctions imposed on Russia and certain Ukraine territories. Additionally, such geopolitical developments, in addition to any other emerging conflicts such as the conflict in Gaza, continue to be extremely fluid and continue to develop. As a result, the extent and duration of such geopolitical developments and the resulting market disruptions are

impossible to predict, but may be substantial, and may include further or expanded economic sanctions, export controls and other restrictive measures, increased geopolitical tension, instability or uncertainty or changes in geopolitical relations or adverse effects on macroeconomic conditions, all of which in turn could adversely affect our business, results of operations or financial condition.

Our operations are subject to various political, economic, legal, regulatory, social and other risks and uncertainties that could adversely affect our business, results of operations or financial condition.

Our operations and activities are subject to a number of political, economic, legal, regulatory, social and other risks and uncertainties, including, among other things: the risks of civil unrest that may limit, interfere with or disrupt projects or our operations generally, or restrict the movement of funds or products; foreign exchange and repatriation restrictions; changing political conditions; changing fiscal regimes and uncertain regulatory environments; and international monetary and market securities fluctuations. If one or more of these risks were to materialize, it could adversely affect our business, results of operations or financial condition.

Our performance is highly dependent upon the price of copper and, to a lesser extent, the price of our molybdenum, gold and silver by-products.

We primarily sell copper in concentrate and copper cathode and also sell gold, molybdenum and silver by-products. The prices our customers pay for these products vary according to the market prices of copper and such by-products. Accordingly, our financial performance is highly dependent on the market price of copper and, to a lesser extent, the market prices of such by-products. These prices have historically been subject to wide and, at times, rapid fluctuations and are affected by numerous factors beyond our control, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others, actions of participants in the commodities markets and the effects of inventory carrying costs and currency exchange rates. Furthermore, we currently engage in only limited hedging activities in relation to the price of copper and, accordingly, are exposed to copper price movements.

China has been the main driver of copper consumption in recent years. As a result, global copper prices are affected by changes in demand from the Chinese economy. Historically, copper consumption in China has been dominated by the construction sector, which is estimated to represent around 30% of demand within China. Although the Chinese government has introduced measures to support the slowing construction sector following a period of oversupply in the housing market, these measures may not be effective. If economic conditions deteriorate in China or other emerging markets, as a result of trade disputes, reduced local demand, continued challenges in the Chinese construction and property sectors or otherwise, demand from customers in those markets could decline and the market price of copper could fall. A decline in copper prices would have an adverse impact on our revenues and financial results. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Commodity Price and Exchange Range Sensitivities.” Any downward trend in copper prices could continue for an unpredictable period. If our average annual copper price per pound declines significantly for an extended period of time or there is a change in long-term copper price assumptions, we may, subject to other factors such as operating costs, be required to recognize asset impairments, or it could adversely affect our business, results of operations or financial condition.

Our activities and business could be adversely affected by the effects of health epidemics.

Our business and exploration activities could be adversely affected by health epidemics or pandemics. Pandemics, epidemics, widespread illness or other major public health crises could negatively impact the global economy and adversely affect business activities all over the world, including manufacturing activities that drive demand for copper and other metals. The existence and continuance of

any major public health crisis in the countries where the purchasers of our products are located has in the past, and could in the future, result in reduced demand. The emergence of future health epidemics and the actions taken by governments to mitigate the effects of such epidemics could adversely affect our business, results of operations or financial condition.

We are a holding company and depend on the results of operations of our subsidiaries, associates and joint ventures.

We are a holding company with no independent operations or substantial assets other than the capital stock of our operating subsidiaries. Accordingly, we depend on the results of operations of our subsidiary companies, associates and joint ventures and their ability to pay dividends to us. Each of our subsidiaries, associates and joint ventures is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit their ability to pay dividends. Any adverse change in the financial condition or results of operations of our subsidiaries would affect our financial condition. Our subsidiaries are not and will not be obligated to make funds available to us to make payments on the notes.

Our copper and by-products output is dependent upon production from four mining complexes.

We operate four mining complexes: Los Pelambres, Centinela, Antucoya and Zaldívar. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, Los Pelambres produced an aggregate of 319,600 tonnes and 143,200 tonnes of copper, respectively, Centinela produced 223,800 tonnes and 116,200 tonnes of copper, respectively, Antucoya produced 80,400 tonnes and 39,500 tonnes of copper, respectively, and our attributable 50% share of Zaldívar's copper production was 40,100 tonnes and 16,000 tonnes, respectively. If operations at any of these mining complexes were significantly reduced, interrupted or curtailed, it could adversely affect our business, results of operations or financial condition in different degrees. We cannot assure you that production interruptions will not occur or that any such incident would not materially adversely affect our production.

Our production, processing, product delivery and transport activities are dependent on our infrastructure being adequate and available.

Our mining, processing, development and exploration activities, as well as our Transport division operations, depend on adequate infrastructure. Our operations are currently in the central and northern regions of Chile. We require reliable and accessible roads, railways, ports, power sources, pipelines and water supplies to access and conduct our operations, and the availability and cost of this infrastructure affects capital and operating costs and our ability to maintain expected levels of production and sales. Damage to our physical assets or infrastructure, including as a result of unusual weather or other natural phenomena, natural disasters, terrorism, sabotage or other interference in the maintenance or provision of such physical assets or infrastructure could have a significant negative impact on our operations, including negatively affecting the development of a project, reduce mining volumes, increase mining or exploration costs or delay the transportation of raw materials to the mines and outputs to our customers. Further, our infrastructure and operations are heavily connected. Any damage, whether temporary or permanent, to our physical assets and infrastructure could create bottlenecks that cause significant disruption throughout our operations. Any such issues arising with respect to the physical assets and other infrastructure supporting or on our sites, or involved in our transport activities, could adversely affect our business, results of operations or financial condition.

Furthermore, any failure or unavailability of our operational infrastructure, including through equipment failure or disruption to our transportation arrangements, could adversely affect the production output from our mines or impact our exploration activities or the development of a mine or project, which in turn could adversely affect our business, results of operations or financial condition.

Disruption, restrictions to the supply, or increased costs of key inputs or contractor services could adversely affect our production and growth opportunities.

Our business is dependent on a range of key inputs, such as electricity, water, fuel, sulfuric acid and mining equipment. The price of these inputs, which has a significant impact on our operating costs, is influenced by external market factors and is subject to significant volatility across time periods. Fuel and lubricants represent approximately 8% of production costs and oil prices are volatile and depend on international markets. Steel is used in the grinding balls and mill liners, which account for approximately 7% of a concentrator plant's costs and 2% of our production costs. Sulphuric acid is one of the main inputs for the SX-EW leaching process used to produce cathodes and in 2024 it accounted for approximately 5% of our production costs. During 2024, the annual acid price was approximately \$155 per tonne, while spot prices ranged from \$120 to \$173 per tonne, compared with an annual price of \$183 per tonne in 2023 and spot prices ranging between \$90 and \$148 per tonne. In the longer term, restrictions to the availability of key strategic resources, such as water and electricity could also affect our growth opportunities.

Additionally, as of December 31, 2024, we relied on contractors for approximately 73% of our workforce. Absence of any of such resources, disruptions in the supply of any such key inputs or the continued provision of services by our contractors, or an increased cost of such key inputs or services, as well as significant delays in the supply of materials, could adversely affect our business, results of operations or financial condition.

Labor disruptions involving our employees or the employees of our independent contractors could affect our production levels and costs.

As of December 31, 2024, our workforce consisted of 29,877 individuals, including 8,095 employees and 21,782 contractors. Approximately 77% of those employed by us are covered by long-term agreements with one of the 16 labor unions with a presence at our mining operations. In addition, contractors or subcontractors form a significant part of our workforce at all operations making up approximately 73% of the total workforce. Pursuant to Chilean regulations, labor negotiations with a contractor's workforce are the responsibility of the relevant contractors.

We have in the past, and may in the future, experience work slowdowns or disruptions, whether of our own workforce or a contractor's workforce, and there can be no assurance that a work slowdown or work stoppage will not occur prior to or upon the expiration of the current long-term labor agreements. We are unable to assure you that future work slowdowns, stoppages or strikes will not occur, or if they do that such events will not have an adverse effect on us. Work slowdowns, stoppages or other labor-related developments affecting us could adversely affect our business, results of operations or financial condition. In particular, work slowdowns, stoppages and other labor-related events could increase our independent contracting costs.

Changes in demand for copper and other by-products output we produce could adversely affect our sales volume and revenues.

Our revenues depend on the volume of metals we sell, particularly copper, which in turn depends on the level of demand for this metal. Demand is mostly driven by: in the case of copper, its use in electronics applications, construction and transportation industries, industrial equipment, consumer products and as an electrical conduit; in the case of gold, its general perception as a store of value as well as its use by direct consumers, such as for jewelry and coins; in the case of molybdenum, its use in the production of stainless steel and special alloy steels; and in the case of silver, for industrial and electronic applications and for jewelry-making.

A fall in demand, resulting from economic slow-downs or recessions, substitution of our metals or other factors, could also decrease the volume of metals we sell and therefore materially and adversely impact our results of operations. In addition, we may not be able to adjust production volume in a timely or cost-efficient manner in response to changes in demand. Lower utilization of capacity during periods of weak demand may expose us to higher unit production costs since a significant portion of our cost structure is fixed in the short-term due to the capital intensity of mining operations. Furthermore, efforts to reduce costs during periods of weak demand could be limited by labor regulations or previous labor or government agreements, which could adversely impact our results of operations.

New mining royalties could affect our business, results of operations and financial condition.

In May 2023, both the Chilean Senate and lower house of Congress approved a proposed revision to Chile's mining royalty bill, with Presidential approval confirmed in August 2023. The terms include a 1% ad valorem royalty on annual copper sales in excess of the equivalent of 50 thousand metric tons of fine copper, 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 came into effect on January 1, 2024. Since Centinela and Antucoya have tax stability agreements, any new royalty rates will only apply to their current operations and projects from 2030. Los Pelambres and Zaldívar have been subject to the new royalty since January 1, 2024. Those payments have increased the Group consolidated effective tax rate by approximately three percentage points. The impact of the new royalty for Los Pelambres in the six-month period ended June 30, 2025 and the year ended December 31, 2024 included the recognition of a \$13.8 million and \$28.7 million expense, respectively, within operating expenses in respect of the ad valorem element. A one-off adjustment related to the new royalty was recognized to the deferred tax balances of the Group's mining operations during 2023, resulting in an increase in the deferred tax liability balance of \$34.3 million, with a corresponding deferred tax expense. See Note 11 to the 2024 Audited Financial Statements, "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Income tax expense*" and "*Regulation—Tax Regulations*" for further discussions of the impact of the new mining royalty tax on our business, financial condition and results of operation.

There can be no assurance that the Chilean government will not introduce additional mining taxes or that our tax stability agreements will not be amended or rescinded. Any amendments to the new mining royalty, or the implementation of other royalties that may be proposed in the future, could materially adversely affect our business, financial condition and results of operations.

The mining industry is highly competitive.

We face competition from other mining companies around the world. Competition principally impacts sales volume and prices, other contractual terms and conditions, attracting and retaining qualified personnel and securing the services and supplies we need for our operations. We cannot assure you that competition will not adversely affect us in the future. For example, lower cost producers of the metals we mine could be better positioned to manage future volatility through commodity price cycles. In addition, mines have limited lives and, as a result, we may seek to replace and expand our reserves and resources by acquiring new properties. Significant competition exists to acquire mining concessions, land and related assets.

Potential changes to international trade regulations and agreements, as well as other political and economic arrangements, may benefit metal producers operating in countries other than Chile or may increase the prices we pay for the supplies we need and our export costs when we engage in international transactions. We cannot assure you that we will be able to compete on the basis of price or other factors with companies that in the future may benefit from favorable regulations, trading or other arrangements, or

that we will be able to maintain the cost of the supplies we require and our export costs. Any failure to compete could adversely affect our business, results of operations or financial condition.

Our business may be adversely affected by liquidity risk.

Factors affecting our production and ability to generate revenue, such as a decline in copper prices or the materialization of transitory risks that disrupt or significantly delay our operations, could have an adverse effect on our liquidity. Global credit markets have been severely constrained in the past and our ability to obtain funding may be reduced in the future. Any substantial future credit rating downgrade may adversely affect our ability to obtain funding and may further increase the cost of financing or require us to agree to more restrictive financing terms.

If our access to liquidity or funding were constrained, either due to banking and capital market conditions generally, or due to factors specific to our business or the financial wherewithal of our counterparties, including our joint venture partners, it could adversely affect our financial condition and our ability to proceed with our planned growth and development projects.

Our water supply could be adversely affected by environmental or geology changes or changes to our permits or other rights to the water we need, which, in each case, could adversely affect our business, results of operations or financial condition.

Our business is dependent on the availability of water for the production of copper and our mining operations require the physical availability of significant quantities of water for mining and processing activities. Most of our operations are in areas where competition for water supplies is significant and the effects of climate change have had an increasing impact on our operations. While the completion of construction of our desalination plant at Los Pelambres has increased our water availability, any delays in, or the inability to achieve our goals with respect to, the remaining phases of the Los Pelambres Expansion could have an adverse effect on the operations of Los Pelambres if droughts continue to affect the region. At Centinela and Antucoya, untreated seawater is used and we rely on a seawater pumping system, and any interruption to that system could adversely affect these operations. We have a number of projects underway to strengthen efficiency in the use of water and other strategic resources, including the increase of the Los Pelambres desalination plant capacity to 800 l/s, and in 2025 we received an EIA to convert the Zaldívar operation to sea water or water provided by third parties by 2028. However, there can be no assurance that these or other water stewardship projects will be successful. Failure to meet our objectives with respect to water stewardship could potentially lead to long-term environmental damage, significant reputational damage, greater regulatory scrutiny and loss of or delays in obtaining licenses to operate. Our access to water may also be affected by changes in geology or other natural factors that we cannot control.

In addition, we must secure legal rights to the water we need and obtain environmental and other permits to extract water. Continuous production at our mines is dependent on many factors, including the continuing physical availability of the water supplies and our ability to maintain our water rights, claims and environmental permits associated with water extraction. In some cases, the granting or revocation of permits or other legal rights to the water we need are subject to the discretion of applicable governmental authorities. Changes to laws and regulations relating to legal rights to water, the failure to obtain or renew, or amendments or revocations of, permits or other legal rights with respect to water (including as a result of the exercise of administrative discretion), or our inability to obtain adequate water supplies for other reasons, in each case, could adversely affect our business, results of operations or financial condition.

Climate change as well as existing and proposed legislation and regulations in response thereto may adversely affect certain of our operations.

The physical impacts of climate change, such as fluctuations in weather patterns, have had an increasing impact on our operations, and the future impact of the effects of climate change on our operations is highly uncertain, and such impact depends on the geographic location of our facilities. For example, our operations in northern Chile have been affected by higher than expected rainfall, which is impacting the infrastructure in the region, while the drought in central Chile has, prior to the commissioning of our desalination plant at Los Pelambres, affected water availability for those operations. In addition, the increasing severity of sea swells has led to delays in the delivery of key supply materials and the export of our concentrates and cathodes. For further potential impacts of climate change, see “Our water supply could be adversely affected by environmental or geology changes, which could adversely affect our business, results of operations or financial condition” above. These impacts could adversely affect our business, results of operations or financial condition.

New climate change laws or the development of more stringent environmental protection programs could impose constraints and additional costs on our operations requiring us to make significant investments in the future. Actions by local and foreign governments, including the Chilean government’s increased climate ambitions, may result in additional requirements that increase our compliance and operating costs. We cannot assure you that any such proposed legislation and regulations will not adversely affect our business, results of operations or financial condition.

A failure or collapse of any of our tailings storage facilities could adversely affect our business, results of operations or financial condition.

Ensuring the stability of our tailings storage facilities during their entire lifecycle is central to how we operate. A failure or collapse of any of our tailings storage facilities could result in fatalities, damage to the environment, regulatory violations, reputational damage and disruption of the quality of life of neighboring communities, as well as the running of our operations. Any one of these events could adversely affect our business, results of operations or financial condition.

Our insurance may not fully cover all potential losses, liabilities and damage related to our business.

The business of mining and mineral exploration is generally subject to a number of risks and hazards, including: adverse environmental conditions; industrial accidents; contaminations; labor disputes; unusual or unexpected geological conditions; ground or slope failures; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to our properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although we maintain physical damage and business interruption insurance, and also liability insurance that covers the Company, our contractors and directors and officers, such insurance coverage may not cover the full amount of property damage, liability or the consequences of such business interruptions, or insurance policy exclusions may apply to certain events. The occurrence of a significant adverse event, the effects of which are not partially or fully covered by insurance, could adversely affect our business, results of operations or financial condition.

Our compliance with environmental and health and safety laws may result in increased costs, including capital commitments, and non-compliance may subject us to significant penalties.

Chile has adopted environmental, health and safety regulations requiring industrial companies operating in Chile, including us, to undertake programs to reduce, control or eliminate various types of

pollution and to protect natural resources, including water and air, among other requirements. Additionally, if the environmental authorities declares an area in which we operate to be polluted or potentially polluted, a prevention or decontamination plan could be required that may increase the costs of operating in the designated area.

An operating incident that damages the environment could affect both our relationship with local stakeholders and our reputation, undermining our social license to operate and grow. In a worst-case scenario, leakage from or failure of our tailings dams could occur, which could result in fatalities, damage to the environment, regulatory violations, reputational damage and the disruption of the quality of life of neighboring communities, as well as adversely affect our business, results of operations or financial condition.

Environmental, health and safety laws and regulations are complex, change frequently and have tended to become increasingly stringent over time. Changes to current environmental laws and regulations or additional environmental laws and regulations may in the future be proposed which could (i) prevent expansion of our operations into certain areas, (ii) require us to obtain additional permits and (iii) result in increased cost and potential delays. For example, while we plan on transitioning to a decarbonized electricity matrix over time, if a legal requirement were imposed to reduce our carbon emissions or our levels of energy consumption, accelerating our planned transition would require increased expenditures. In addition, community and environmental activist groups have protested the development of certain mines and mining projects in Chile and may increase standards for socially responsible and environmentally sustainable practices, and their efforts may lead to operational delays and the creation or revision of government regulations and policies with respect to the mining industry in Chile, litigation and increased costs.

We maintain environmental management systems designed to monitor and achieve compliance with applicable environmental laws and regulations. While we have budgeted for future capital and operating expenditures to maintain compliance with these laws and regulations, there can be no assurance that current levels of expenditures and capital commitments will be sufficient to achieve future compliance or that proceedings or civil actions will not be brought against us, or that fines and other sanctions will not be imposed for non-compliance in the future. Any such developments could adversely affect our business, results of operations or financial condition. In addition, there can be no assurance that more stringent enforcement of, or changes in, existing laws and regulations, the adoption of additional laws and regulations, or the discovery of new facts resulting in increased liabilities would not adversely affect our business, results of operations or financial condition.

For further information on environmental laws and regulations, see “Regulation—Environmental Regulations.”

Damage to or breakdown of a physical asset, including due to fire, explosion, natural catastrophe, sabotage, theft or terrorism may adversely affect our results of operations and generate other losses.

Damage to or breakdown or loss of a physical asset, including but not limited to as a result from fire, explosion, natural catastrophe, sabotage, theft or terrorism, can result in financial losses and impact our business, results of operations or financial condition. Our operations and development projects are exposed to natural risks, such as earthquakes and extreme weather conditions. Other catastrophic risks faced by our business include failure of mine pit slopes, breaches of tailings dam walls and fire and explosion in mines or in buildings, plant and equipment. The occurrence of one or more of these events could potentially lead to multiple fatalities and injuries, long-term environmental damage, significant reputational damage, greater regulatory scrutiny and loss of or delays in obtaining licenses to operate, all of which may adversely affect our business, results of operations or financial condition.

Mining is an inherently dangerous activity and injuries, including occasional fatalities, are not uncommon.

Mining is an inherently dangerous activity and injuries, including occasional fatalities, are not uncommon and have occurred in the past. Injuries and fatalities could also occur in the ordinary course of our Transport division activities. Even with precautionary measures, such as the early identification of risks, investment in equipment, training and safety policy enforcement, there remain inherent safety risks associated with our business. Further, the occurrence of a poor safety record or serious accidents in the future could have a long-term impact on our employees' morale, our reputation and our production.

Our business requires substantial capital expenditure and is subject to financing risk.

Our projects under construction, including the remaining phases of the Los Pelambres Expansion and the Centinela Second Concentrator Project, each require substantial capital expenditure, as do our other growth projects currently under evaluation (see "*Business—Projects Under Construction*" and "*—Projects Under Evaluation*"). Projects may go over budget in terms of cost and time and may be subject to variation in scope as they progress. The exploration and exploitation of copper reserves, mining, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditure. We must continue to invest capital to maintain or to increase the amount of copper reserves that we exploit and the volume of copper products that we produce. We expect to finance our capital expenditure through operating cash flow and new borrowings from banks and capital markets. There can be no assurance that we will be able to maintain our production levels or generate sufficient operating cash flow or have access to sufficient investments, loans or other financing alternatives to finance our capital expenditure program at a level necessary to continue our exploration and exploitation activities at or above present levels.

If financing is insufficient at any time in the future, we may be unable to fund significant capital expenditure and acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact our business, results of operations and financial condition.

Delays to, or failure to implement, our expansion and development projects could have an adverse effect on our growth prospects.

Successful implementation of our expansion and development projects is subject to various risks, many of which are not within our control. These factors include the availability, terms, conditions and timing of the delivery of plants, equipment and other materials necessary for the construction and/or operation of the relevant facility, the availability of acceptable arrangements for transportation and construction, the performance of engineering and construction contractors, mining contractors, suppliers and consultants and adverse weather conditions affecting access to the development site or the development process and our access to adequate infrastructure generally. Future copper prices, operating costs through a mine's life cycle and fluctuations in ore grade and recovery could also adversely affect the development of our growth projects, such as the Los Pelambres Expansion and the Centinela Second Concentrator Project. In addition, at Centinela, a third party contractor is responsible for supplying water to the Second Concentrator, which is currently under construction. The lack of availability of plant, equipment and other materials or acceptable contractual terms for transportation or construction, or a slower than anticipated performance by any contractor or a period of adverse weather, could also delay or prevent the successful completion of any of our development projects. Implementation of our development projects and prospects may also be compromised, or cease to be economical, in the event of a prolonged decline in the market price of copper, molybdenum, gold or silver. There can be no assurance as to when our expansion and development projects will be completed, if at all, whether the resulting operations will achieve the anticipated production volumes or whether the costs of developing these projects will be in line with those

anticipated. Any failure by us to implement our expansion and development projects as planned may have a material adverse effect on our growth opportunities.

Our business plans are based on estimates of the volume and grade of our ore deposits that could be incorrect.

Our ore deposits described in this listing memorandum constitute estimates based on standard evaluation methods generally used in the international mining industry and on assumptions as to production costs and market prices. These estimates are based on a number of assumptions which are inherently prone to variability. In respect of these estimates, no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves, resources and mineralized potential can be mined or processed profitably.

The actual reserves and resources may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. Our reserve and resource estimates are stated as at December 31, 2024 and such calculations are based on a number of assumptions, including the price of commodities, production costs, recovery rates, the availability and quality of geological and technical information, industry practice and subjective judgments made by management and our other competent persons with regard to the presence and grade of ore bodies and the ability to extract and process the ores economically. Future fluctuations in the variables underlying our estimates may result in material changes to our reserve and resource estimates. In addition, we may experience fluctuations in ore grade and recovery. In each case, such changes and fluctuations could adversely affect our business, results of operations or financial condition. Reserve and resource data are not indicative of future results of operations.

We may fail to acquire new mining properties and concessions.

Mines have finite lives and, as a result, one of the ways we seek to replace and expand our reserves is through the acquisition of new mining concessions and properties. There is a limited supply of desirable mining concessions and properties with potential mineralization available in Chile and other prospective areas in the Americas. Because we face competition for new mining concessions and properties from other mining companies, some of which may have greater financial resources than we do, and because the current owners of desirable properties may be unwilling to sell the property to us, we may be unable to acquire attractive new mining concessions or properties on terms that we consider acceptable or at all. We may also fail to realize forecast production at mining properties we acquire. As a result, our future growth prospects may be adversely affected.

Any loss of key personnel or our inability to hire skilled personnel may adversely affect our business.

Our business depends in significant part upon the contributions of a number of our key senior management and personnel, in particular our senior management team and our highly skilled team of engineers and geologists. We may also encounter increasing competition from other mining companies in their efforts to hire experienced mining professionals. The loss of the services of one or more members of our senior management or other employees with critical skills could adversely affect our business, results of operations or financial condition. If we are not successful in attracting and retaining highly qualified individuals in key management positions and highly skilled engineers and geologists, our business may be adversely affected. It may be difficult for us to hire sufficiently skilled and qualified people or to obtain all the necessary expertise locally or at reasonable rates due to the shortage of appropriately qualified individuals. The changing technological and cultural environment in which we operate exacerbates the challenges we face to manage and maintain a high-quality labor force. If qualified people or the necessary expertise cannot be obtained or cannot be obtained at satisfactory rates, this could result in delays to or higher costs in respect of our ongoing operations and the development of our projects.

We are subject to risks related to litigation and administrative proceedings that could adversely affect our business, results of operations or financial condition in the event of an unfavorable ruling.

The nature of our business exposes us to litigation relating to labor, health, environmental and safety matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes, among others. Currently, as in the past, we are subject to actual and potential proceedings, investigations or litigation. For example, the Chilean Internal Revenue Service has raised claims and queries in respect of approximately \$83 million of tax deductions recognized in relation to the amortization of start-up costs related to the Encuentro pit. This matter, which relates to tax years 2020, 2021 and 2022, is currently being reviewed before the Chilean Tax and Customs Court. See Note 11 to the 2024 Audited Financial Statements and Note 9 to the Interim Unaudited Financial Statements for further details.

Litigation can be lengthy, expensive and disruptive to our operations, and results cannot be predicted with certainty. An adverse decision could include monetary damages or, in cases for which injunctive relief is sought, an injunction prohibiting us from operating one or more of our facilities. Although we establish provisions as we deem necessary, the amounts that we reserve could vary significantly from any amounts we are required to pay as a result of the inherent uncertainties in the estimation process. If we were to receive an unfavorable ruling on a matter, it could adversely affect our business, results of operations or financial condition.

Any interruption or destruction or loss of data in our information technology systems due to technical or operational malfunctions or cyberattacks could have a material adverse effect on our reputation, business, results of operations or financial condition.

We are subject to a variety of information technology and system risks as a part of our normal course of operations, including potential breakdown, interruption of communications, invasion, virus, cyberattack, cyber-fraud, security breach, and destruction or interruption of our information technology systems by third parties or our own personnel. A breach of our security measures or a loss of information could occur and result in a loss of material and confidential information, breach of privacy laws and a disruption to our business activities. In addition, information systems could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions or delays in our ability to operate our facilities and make payments to our suppliers, loss of critical or sensitive data or similar effects, which could adversely affect the protection of intellectual property, confidential and proprietary information, and on our business, results of operations or financial condition.

Our operations or projects could be affected by risks related to corruption or bribery, including operating disruptions or delays resulting from a refusal to make “facilitation payments.”

Our Group is subject to and must comply with the anti-corruption and anti-bribery laws of the jurisdictions in which we operate. This includes laws implemented pursuant to the OECD Anti-Bribery Convention, such as the UK Bribery Act of 2010 and the Chilean Economic Crimes Law (Law No. 21.595), which amended Chilean Law No. 20.393 and came into effect in August 2023 with respect to individuals, and in September 2024 with respect to legal entities. There has been a substantial increase in the global enforcement of these laws in recent years. We operate in jurisdictions that have experienced public and private sector corruption and where significant anti-corruption enforcement activities, prosecutions, and settlements have occurred. Our corporate policies and processes may not prevent or detect all potential breaches of law or other governance practices, including misinterpretation of or noncompliance with applicable laws and internal policies, recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by our affiliates, employees, agents or contractors. Any violation of anti-corruption or anti-bribery laws could result in significant criminal or civil fines and penalties, litigation, loss of operating

licenses or permits and disbarment from public tenders. The Chilean Economic Crimes Law (Law No. 21.595) provides that additional sanctions, including, under certain circumstances, the termination of the legal entity, may be imposed. Under this new law, companies bear responsibility for a wide range of criminal offenses, extending beyond corruption and bribery, including certain labor, environmental, tax and corporate crimes, among other areas. All these consequences may damage our reputation, which could adversely affect our business, results of operations or financial condition.

Our future performance depends on the results of current and future innovation and exploration.

Our growth prospects, beyond our projects under construction (see “Business—Projects Under Construction”), are dependent on increasing the reserves of our existing divisions and exploring for new deposits outside of our current operations. While we expect to maintain production levels through our expansion and development projects for the next few years, our expansion and development initiatives could experience delays or be adversely affected by higher costs. In addition, there may be some degree of execution risk associated with the expansion of operations into deeper mines or mines at higher altitudes.

We depend on our ability to replenish our reserves and resources for our long-term viability. Mining exploration is highly speculative in nature, involves many risks and is frequently unsuccessful. Moreover, once mineralization is discovered, it may take a number of years from the initial phases of drilling before production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves and resources through drilling, to determine processes to extract the metals and, if required, to construct mining and processing facilities and obtain the rights on the land and resources required to develop the mining activities. We regularly undertake exploration activities to increase the reserves and resources at our existing mines. We cannot assure you that our exploration activities will result in the replacement or growth of current production with new reserves and resources. If we are not able to replenish reserves and resources, our production levels will decrease significantly and our results of operations would be materially and adversely affected.

Our arrangements with minority shareholders and joint venture arrangements may not be successful.

Certain minority shareholders hold non-controlling interests in our main subsidiaries and our investments in joint ventures are held alongside those of our joint venture partners. See “Business—Corporate Information.” We may own additional subsidiaries with minority shareholders or enter into further joint ventures in the future. We are subject to risks associated with our minority shareholders and joint venture partners, including that our partners may (i) have economic or business interests or goals that are inconsistent with or opposed to ours, (ii) exercise veto rights so as to block actions we believe to be in our or our subsidiary’s or joint venture’s best interests, (iii) take action contrary to our policies or objectives with respect to our investments, for instance by veto of proposals in respect of the subsidiary or joint venture operations, or (iv) as a result of financial or other difficulties, be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Any of the foregoing may adversely affect our business, results of operations or financial condition through the disruption of mining operations run by the subsidiary or joint venture or the delay or non-completion of the relevant development projects. In addition, the exit of these minority shareholders or the termination of these joint ventures, if not replaced on similar terms, could adversely affect our business, results of operations or financial condition.

Inflation may have a material adverse effect on results of operations.

In the past, Chile has experienced periods of high inflation, including in recent years. A continuation of current levels of inflation or a return to the higher levels of inflation that Chile has experienced in the past could produce uneven periods of economic growth, as well as recession and political instability. There can be no assurance that Chilean inflation will not revert to prior levels in the future. Historically, counter inflationary measures taken by the central bank of Chile have often included

implementing tight monetary policy with high interest rates, which could limit the availability of credit and economic growth.

It is possible that in the future, high inflation in Chile may result in an increase in operational costs in pesos (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of copper, gold, molybdenum or silver). Maintaining operating costs in Chilean pesos could expose us to risks relating to peso devaluation and high domestic inflation. This could adversely affect our business, results of operations or financial condition. Significantly higher and sustained rates of inflation, with subsequent increases in operational costs, could result in the deferral or closure of projects and mines in the event that operating costs become prohibitive.

Changes in the relative value of the Chilean peso to the U.S. dollar may have an adverse effect on us.

A depreciation of the peso against the U.S. dollar could result in an increase in our operating margins and an appreciation of the peso could result in a decrease in our operating margins, in each case, when measured in U.S. dollars. See “Business—Commodity price and exchange rate sensitivities” for an estimated impact of the movement in copper, molybdenum and gold prices and in the U.S. dollar/Chilean peso exchange rate.

Any change in the monetary policy, the exchange rate regime or in the exchange rate itself, as a result of market conditions over which we have no control, could have a considerable impact, either positive or negative, on our business, results of operations or financial condition.

Damage from earthquakes or other natural disasters to our properties and operations could adversely affect our results.

Chile is located in a seismic area that exposes our operations to the risk of earthquakes. Chile has been adversely affected by powerful earthquakes in the past, including in 2010, 2014 and 2015, and as a result there are strict regulations governing construction in the country.

Although previous earthquakes did not have any substantial effect on our results, and while we have designed our mining operations to withstand exposure to seismic events, we can give no assurance that future seismic events will not adversely affect our business, results of operations or financial condition.

Failure to manage relationships with local communities, government and non-governmental organizations or recognize, respond and align to evolving stakeholder requirements and expectations could adversely affect our future growth potential.

The maintenance and fostering of strong community relationships is integral to the success of our operations. Failure to manage relationships with local communities, government and non-governmental organizations may adversely affect our reputation, as well as our ability to bring projects into production, which could in turn adversely affect our business, results of operations or financial condition, potentially in a material manner.

Failure to recognize, respond and align to changing stakeholder expectations and requirements regarding issues such as environment, social and governance matters, particularly linked to climate change, tailings dams and carbon emissions, could affect our growth opportunities and our future revenues and cash flows. Stakeholder requirements and expectations continue to evolve, and different stakeholder groups can have opposing requirements and expectations of us. For example, an increasing number of financial stakeholders are adopting stricter investment criteria with regards to fossil fuels and carbon emissions. This is having a growing impact on industries that are major producers, and users, of fossil fuels and which are major emitters of CO₂ and other greenhouse gases. Failure to balance opposing stakeholder expectations adequately could lead to potential loss of investor confidence.

Risks Relating to the notes

Payments on the notes will be in effect junior to our secured indebtedness and structurally junior to the existing and future debt obligations of our subsidiaries.

The notes will constitute our senior unsecured obligations and will rank equal in right of payment with all of our other existing and future senior unsecured indebtedness, other than obligations preferred by statute (such as tax, social security and labor claims). Although the holders of the notes will have a direct, but unsecured claim on our assets and property, payment on such notes will be subordinated in right of payment to any existing or future secured debt, to the extent of the assets securing such debt. Although the indenture that will govern the notes contains restrictions on the incurrence of additional liens, these restrictions are subject to important qualifications and exceptions, and the liens that we may incur in compliance with these restrictions or liens that arise from governmental or creditor action, could be substantial. Moreover, these restrictions do not apply to certain of our subsidiaries, some of which are or may be significant subsidiaries. Payment by us in respect of the notes will also be structurally subordinated to the payment of secured and unsecured debt and other creditors of our subsidiaries. Under the terms of the indenture, there is no restriction on the ability of our subsidiaries to incur additional indebtedness. As of June 30, 2025, the Issuer had total borrowings of \$1,731.3 million. In addition, as of June 30, 2025, our subsidiaries had \$4,970.8 million of total borrowings, to which the notes will be structurally subordinated.

If we become insolvent or are liquidated, or we become subject to bankruptcy proceedings, or if payment under any secured debt is accelerated, the relevant lenders would be entitled to exercise the remedies available to a secured lender. Accordingly, any proceeds upon a realization of the collateral would be applied first to amounts due under the secured debt obligations before any proceeds would be available to make payments on the notes. After such application of the proceeds from collateral, it is possible that there would be no assets remaining from which claims of the holders of the notes could be satisfied.

Therefore, we may have insufficient assets after such payment obligations to satisfy the claims of the holders of the notes and holders of other unsecured debt including trade creditors that rank equal to holders of the notes.

The issuer is permitted to incur additional indebtedness.

The notes contain no restrictions on the amounts of additional unsecured indebtedness which may be incurred by us or our subsidiaries. Although the notes contain a restriction on our and our subsidiaries' ability to incur certain secured indebtedness, such restriction is subject to significant exceptions, as set forth in "Description of the Notes—Covenants—Limitations on Liens." As a result, we are permitted to issue or incur additional unsecured debt that ranks on an equal and ratable basis with the notes, as well as in certain cases secured debt that ranks senior to the notes with respect to the collateral securing such debt. Our incurrence of additional debt may have the effect of reducing the amount of funds available to holders of notes in the event of an insolvency, liquidation, reorganization, dissolution or other winding up of our company.

Developments in the international capital markets may adversely affect the trading price of the notes.

The trading price of the notes may be adversely affected by declines in the international financial markets and world economic and political conditions, including terrorism and war. Although economic and political conditions are different in each country, investors' reaction to developments in one country can affect the securities markets and the securities of issuers in other countries, including Chile, the United States and European countries. We cannot assure you that such events will not have an adverse impact on the trading price of the notes.

The notes are subject to transfer restrictions.

The notes have not been registered under the Securities Act or any state securities laws, and we are not required to and currently do not plan on making any such registration in the immediate future. As a result, the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. See “Transfer Restrictions” for a full explanation of such restrictions.

An active trading market for the notes may not develop.

Currently there is no market for the notes. We intend to make an application for listing the notes on the Official List and for admission to trading on the London Stock Exchange’s Regulated Market. However, our listing and admission may not be approved or, if approved, may not be maintained. A trading market for the notes may not develop, or if a market for the notes were to develop, the notes may trade at a discount from their initial offering price, depending upon many factors, including the number of holders of notes, prevailing interest rates, the market for similar securities, general economic conditions and our results of operations and financial condition. The initial purchasers are not under any obligation to make a market with respect to the notes, and we cannot assure you that trading markets will develop or be maintained. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes. If an active market for the notes does not develop or is interrupted, the market price and liquidity of the notes may be adversely affected. Further, the ability of the Initial Purchasers to make a market in the notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the notes.

You may have difficulty enforcing your rights against us and our directors and executive officers.

We are a company incorporated in the UK. Most of our directors and executive officers are non-residents of the United States. You may be unable to effect service of process within the U.S. on us, our directors and executive officers. In addition, as substantially all of our assets and the assets of our directors and executive officers are located outside the United States, you may be unable to enforce against us and our directors and executive officers judgments obtained in the U.S. courts, including judgments predicated upon civil liability provisions of the U.S. federal securities laws or state securities laws. There is also doubt as to the enforceability, in original actions in Chilean courts, of liabilities including those predicated solely on U.S. federal securities laws and as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions including those predicated upon the civil liability provisions of U.S. federal securities laws. No bilateral treaty is currently in effect between the United States and Chile that covers the reciprocal enforcement of civil foreign judgments. In the past, Chilean courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Chile of the United States judgment, in order to ascertain, among other matters, whether Chilean legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the

rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

USE OF PROCEEDS

The net proceeds from the issuance of the notes were approximately \$596,388,000 (after deducting the initial purchasers' discount and payment of estimated offering expenses).

The net proceeds from the notes were used for general corporate purposes. All or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other general corporate purposes or may be held on Antofagasta's balance sheet, invested in cash, cash equivalents and/or other liquid instruments, in accordance with Antofagasta's investment policy.

CAPITALIZATION

The following table sets forth the consolidated cash, cash equivalents and liquid investments, and consolidated capitalization of the Group as of June 30, 2025. The historical condensed consolidated financial information of the Group has been derived from our reviewed Interim Unaudited Financial Statements included elsewhere in this listing memorandum. This table should be read in conjunction with “Presentation of Financial and Certain Other Information,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Description of the Notes,” as well as our Financial Statements included elsewhere in this listing memorandum.

	As of June 30, 2025
	Actual
	(in millions of U.S. dollars)
Cash and cash equivalents ⁽¹⁾	2,600.9
Liquid investments ⁽²⁾	1,976.8
Debt:	
Short-term borrowings and other financial liabilities ⁽³⁾	421.0
Medium- and long-term borrowings and other financial liabilities ⁽⁴⁾	6,444.4
Total debt	6,865.4
Equity:	
Equity attributable to equity holders of the parent	9,725.3
Non-controlling interest	3,843.0
Total equity	13,568.3
Total capitalization⁽⁴⁾	20,433.7

⁽¹⁾ Cash and cash equivalents of \$2,600.9 million comprise cash on hand, deposits held on call with banks and highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

⁽²⁾ Liquid investments of \$1,976.8 million represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments.

⁽³⁾ This comprises borrowings, other financial liabilities and leases detailed in Note 14 to the Interim Unaudited Financial Statements.

⁽⁵⁾ Consists of the sum of total equity *plus* total debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read along with, and is based on, financial information extracted and derived from our Financial Statements commencing on page F-1 of this listing memorandum.

You should read this discussion in conjunction with our Financial Statements, "Presentation of Financial and Certain Other Information" and the other financial information included elsewhere in this listing memorandum.

We make reference herein to certain non-IFRS financial information that is explained in "Presentation of Financial and Certain Other Information" and "Summary of Financial and Other Information."

The following discussion contains certain forward-looking statements that reflect the plans, estimates and beliefs of the Group. The actual results of the Group may differ materially from those discussed in these forward-looking statements. See "Forward-looking statements." Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this listing memorandum, including those set forth in the "Risk Factors" section of this listing memorandum.

Overview

We engage primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore and the international sale of copper cathodes and copper concentrates. We operate four producing mines in Chile. We also engage in exploration activities in Chile and elsewhere in the Americas and own a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including some of our own operations.

The four mines we operate (Los Pelambres, Centinela, Antucoya, Zaldívar) are located in the Coquimbo and Antofagasta regions of Chile. As of December 31, 2024, these four operating mines had approximately 4,377.2 million tonnes of proven and probable ore reserves (including 100% of the proven and probable reserves at Zaldívar, of which we have a 50% ownership interest).

We believe the high quality of our core mining assets is one of our key strengths. Los Pelambres, a world-class copper mine, contains proven and probable ore reserves totaling 781.5 million tonnes as at December 31, 2024, and produced 319,600 tonnes of copper in 2024 and 143,200 tonnes of copper in the six-month period ended June 30, 2025. Centinela contains proven and probable ore reserves totaling 2,553.3 million tonnes as at December 31, 2024, and produced 223,800 tonnes of copper in 2024 and 116,200 tonnes of copper in the six-month period ended June 30, 2025. Antucoya contains proven and probable ore reserves totaling 691.4 million tonnes as at December 31, 2024, and produced 80,400 tonnes of copper in 2024 and 39,500 tonnes of copper in the six-month period ended June 30, 2025. Zaldívar, which is a joint venture with Barrick Gold Corporation which we operate and in which we hold a 50% interest, contains proven and probable ore reserves totaling 351.0 million tonnes as at December 31, 2024 (reflecting 100% of the proven and probable reserves at Zaldívar), and produced 40,100 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in 2024 and 16,000 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in the six-month period ended June 30, 2025.

Our main commercial products are copper concentrates (also containing gold and silver) and copper cathodes. We also produce and sell molybdenum concentrate. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, we derived 80.2% and 78.9%, respectively, of our total revenue

from copper and 15.3% and 17.5%, respectively, of our total revenue from gold, molybdenum and silver by-product production.

In addition, we also hold significant transport assets in our Transport division, which is mainly focused on the transport of copper cathodes and concentrates from, and the transport of sulfuric acid to, the mining industry in the Antofagasta region of Chile, including our own operations. Total transport volumes in 2024 were 7.1 million tonnes which were broadly consistent with transport volumes in 2023. Total transport volumes in the six-month period ended June 30, 2025 were 3.1 million tonnes. In total, in 2024 the Transport division operated approximately 900 km of railroad and 80 locomotives.

Factors Affecting Our Results of Operations

Commodity Prices and Pricing Mechanics

Our results are heavily dependent on commodity prices – principally copper and, to a lesser extent, gold and molybdenum. The prices of these commodities are strongly influenced by a variety of external factors, including, among other things, world economic growth, inventory balances, industry demand and supply and possible substitution. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, sales of copper and molybdenum concentrate and copper cathodes represented 87.6% and 87.1%, respectively, of our revenue and therefore revenues and earnings depend significantly on the LME and realized copper prices.

We generally sell our copper and molybdenum concentrate and copper cathode output at prevailing market prices, subject to final pricing adjustments which normally range from one to four months after delivery to the customer, and our revenue is therefore exposed to changes in market prices for copper and molybdenum both in respect of future sales and previous sales, which remain open as to final pricing. Realized copper prices are determined by comparing revenue (gross of treatment and refining charges (“TC/RCs”) for concentrate sales) with sales volumes in the period. Realized 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 normally four months after delivery to the customer in the case of concentrate sales). Our mining costs are relatively fixed so the prices at which we can sell our output have a significant impact on our margins.

Copper prices on the LME averaged \$4.28/lb in the six-month period ended June 30, 2025 and \$4.15/lb in 2024, compared with \$4.13/lb in the six-month period ended June 30, 2024, \$3.85/lb in 2023 and \$4.00/lb in 2022.

Prices of Key Inputs

Our mining operations depend on a range of key inputs such as energy, water, labor, sulfuric acid and fuel. The management of these inputs has a significant impact on operating costs. The availability, cost and reliability of these inputs are central to our cost management strategy, which focuses on cost control and security of supply. Given the direct impact of fuel prices on the spot price of energy, shipping rates for supplies and products, and the cost of items such as tires and conveyors, an increase or decrease in fuel prices will impact our cash costs.

For more information on our key inputs, please see “Business Description—Key Inputs and Cost Base.”

Climate Change

The effects of climate change have had an increasing impact on our operations. The current drought in central Chile is affecting water availability at Los Pelambres, while higher than expected rainfall in northern Chile has impacted and may continue to impact the infrastructure in the region. In addition, the increasing severity of sea swells leads to delays in the delivery of key supply materials and the export of our concentrates and cathodes. As the effects of climate change evolve, the impact on our operations may continue to grow. For more information, please see “Business Description—Risk Management.”

Competitiveness Program

The global copper industry is a competitive landscape, with geological factors and inflation creating upward pressure on operating and capital costs, which in turn creates the need for continuous improvement and innovation. We have historically channeled our efforts to control and reduce costs through our Cost and Competitiveness Program, which began in 2015.

In 2024, we launched a new approach to managing this area, which was linked to the adoption of a revised Operational Excellence Management System (OEMS), with this new workstream known as the Competitiveness Program. Through the Competitiveness Program, we aim to competitively position ourselves on the global cash cost curve through a series of savings and efficiencies.

Since the inception of the above initiatives, these programs have delivered more than \$1.0 billion of savings and efficiencies, helping to support the Group’s competitiveness in the global copper industry.

The OEMS is designed to help the Group achieve its full potential through the establishment of three common goals: (1) clear Key Performance Indicators (KPIs) and objectives, (2) the creation of appropriate forums to discuss and enhance performance and (3) a clear pathway for achieving success. Continually improving and developing team performance enables teams to further enhance and improve their KPIs and objectives for further gains.

Total benefits of \$248 million were delivered in 2024, surpassing the target of \$200 million of combined savings and productivity improvements in the program’s first year, which was an ambitious target after the Cost and Competitiveness Program delivered \$135 million of benefits in 2023 and \$124 million in 2022. Relative to the total cost base of each mine, Antucoya delivered the highest proportional saving in 2024, which related to a reduction in key consumable usage, particularly sulphuric acid. In the six-month period ended June 30, 2025, the Program achieved benefits of \$60.3 million in the mining division, of which \$33.8 million reflected the value of productivity improvements and \$26.5 million reflected cost savings. Of the \$26.5 million of cost savings, \$26.2 million related to Los Pelambres, Centinela and Antucoya, and \$0.3 million related to Zaldívar (on a 100% basis).

Exchange Rate Fluctuations

Our results may be affected by exchange rate fluctuations between the U.S. dollar and the Chilean peso. Some of our operating costs are in Chilean pesos while almost all of our revenues are in U.S. dollars. The exchange rate with the U.S. dollar is generally correlated to the copper price as copper exports generate over 50% of Chile’s foreign exchange earnings, which provides a natural hedge for our operations. The Chilean peso/USD exchange rate averaged Ch\$933/\$1 for the six-month period ended June 30, 2025 and Ch\$944/\$1 during 2024, compared with Ch\$941/\$1 for the six-month period ended June 30, 2024, Ch\$839/\$1 during 2023 and Ch\$872/\$1 during 2022.

Exceptional items

Exceptional items are material items of income and expense which result from one-off transactions or transactions outside the ordinary course of business of the Group. These are 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. For further details, refer to Note 3 to the Interim Unaudited Financial Statements, Note 4 to the 2024 Audited Financial Statements and Note 4 to the 2023 Audited Financial Statements.

Antucoya impairment reversal

For the year ended December 31, 2024, an exceptional pre-tax gain of \$371.4 million (post-tax impact of \$257.4 million) was recognized in respect of the reversal of previous impairments recognized at Antucoya. Antucoya recognized impairments totaling \$716 million in the years ended December 31, 2012 and 2016. Of the original impairment amounts, \$371.4 million remained unamortized and available for reversal as at December 31, 2024. It was determined that there were indicators of a potential reversal of this remaining impairment as at December 31, 2024. Accordingly, an estimate of the recoverable amount of the Antucoya operation was performed. The recoverable amount indicated by this assessment was \$2,013 million, which was \$583 million above the carrying value of Antucoya's relevant assets of \$1,431 million as at December 31, 2024. The predominant driver behind this positive headroom has been the increasingly positive copper price outlook. Given the level of headroom indicated by this valuation process, we believe it is appropriate to fully reverse the remaining \$371.4 million element of the original impairments, resulting in an exceptional pre-tax gain of \$371.4 million for the year ended December 31, 2024. A deferred tax expense of \$114.0 million was recognized in respect of this reversal, resulting in a post-tax impact of \$257.4 million for the year ended December 31, 2024.

Compañía de Minas Buenaventura S.A.A.

During the year ended December 31, 2023, we entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. An exceptional fair value gain of \$51.0 million was recognized during the year ended December 31, 2024 (2023: \$167.1 million) in respect of this agreement. A deferred tax expense of \$12.7 million was recognized in respect of this gain in the year ended December 31, 2024 (2023: \$41.8 million), resulting in a post-tax impact of \$38.3 million for the year ended December 31, 2024 (2023: \$125.3 million).

In the six-month period ended June 30, 2025, an exceptional deferred tax credit of \$54.5 million was recognized in the income statement, due to the derecognition of the deferred tax liability which had previously been recognized through the income statement in relation to the agreement, as the requirements of the UK Substantial shareholdings exemption were met during the period. A further deferred tax credit of \$44.7 million was recognized in Other Comprehensive Income, due to the derecognition of the deferred tax liability which had been previously recognized through Other Comprehensive Income in relation to the Group's existing shareholding in Buenaventura.

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

On December 15, 2022, we entered into definitive agreements to exit our 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, we recognized a gain on disposal of our investment in the joint venture as at December 15, 2022 of \$944.7 million.

Recent Developments

Interim Dividend

The Board has declared an interim dividend for the first half of 2025 of 16.6 cents per ordinary share, which amounts to \$163.7 million and will be paid on September 30, 2025 to shareholders on the share register at the close of business on September 5, 2025.

Results of Operations

Six-Month Period Ended June 30, 2025 Compared with the Six-Month Period Ended June 30, 2024

The following table shows the principal components of our profit for the period for the six-month period ended June 30, 2025 and June 30, 2024:

	Six-Month Period Ended June 30,	
	2024	2025
	(in millions of U.S. dollars)	
Revenue	2,955.2	3,799.4
Total operating costs.....	(2,283.9)	(2,524.6)
Operating profit	671.3	1,274.8
Net share of results from associates and joint ventures	17.2	33.3
Operating profit and share of total results from associates and joint ventures	688.5	1,308.1
Investment income.....	73.5	84.6
Interest expense	(132.1)	(177.8)
Other finance items.....	82.7	(52.9)
Net finance income/(expense)	24.1	(146.1)
Profit before tax	712.6	1,162.0
Income tax expense	(299.5)	(370.1)
Profit for the period	413.1	791.9

Revenue

The \$844.2 million increase in revenue from \$2,955.2 million in the six-month period ended June 30, 2024 to \$3,799.4 million in the six-month period ended June 30, 2025 reflected the following factors:

Mining division

Revenue from the Mining division increased in the six-month period ended June 30, 2025 by \$856.3 million, or 30.0%, to \$3,713.5 million, compared with \$2,857.2 million in the six-month period ended June 30, 2024. The increase comprised a \$627.5 million increase in copper sales and a \$228.8 million increase in by-product revenue.

Copper

Revenue from copper concentrate and copper cathode sales increased in the six-month period ended June 30, 2025 by \$627.5 million, or 25.9%, to \$3,050.5 million, compared with \$2,423.0 million in the six-month period ended June 30, 2024. The increase reflected the impact of \$461.9 million from higher sales volumes, \$104.7 million from higher realized prices and a \$60.9 million increase in revenue from lower treatment and refining charges.

Copper sales volumes included within revenue increased by 18.4% from 259,200 tonnes in the six-month period ended June 30, 2024 to 306,900 tonnes in the six-month period ended June 30, 2025, increasing revenue by \$461.9 million. This increase was mainly due to higher production at Centinela concentrates (36,800 tonne increase, as a result of increased copper ore grades, as well as higher recoveries and ore throughput rates) and Los Pelambres (10,700 tonne increase, reflecting the accumulation of concentrate inventories in the prior period), and shipments which had been temporarily delayed at December 31, 2024 due to bad weather conditions at the port.

The average realized copper price increased in the six-month period ended June 30, 2025 by 3.5% to \$4.55/lb (six-month period ended June 30, 2024: \$4.40/lb), resulting in a \$104.7 million increase in revenue. This was mainly due to the higher LME average market price, which increased in the six-month period ended June 30, 2025 by 3.7% to \$4.28/lb (six-month period ended June 30, 2024: \$4.13/lb) and a \$182.8 million positive impact from provisional pricing adjustments, mainly as a result of a positive impact in the average mark to market price (\$4.50/lb as at June 30, 2025 compared to \$3.95/lb as at December 31, 2024) and positive impact in the settlement of sales invoiced in the previous and current periods.

Realized copper prices are determined by comparing revenue (before treatment and refining charges for concentrate sales) with sales volumes in the period. Realized 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 Interim Unaudited Financial Statements.

Treatment and refining charges (TC/RCs) for copper concentrate decreased by \$60.9 million to \$29.8 million in the six-month period ended June 30, 2025, compared with \$90.7 million in the six-month period ended June 30, 2024, reflecting lower average TC/RC rates, partially offset by increased concentrate sales volumes at Los Pelambres and Centinela.

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 is based on 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 decrease in these charges had a positive impact on revenue in the period.

Molybdenum, gold and other by-products

Revenue from by-product sales (net of tolling charges) at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased in the six-month period ended June 30, 2025 by \$228.8 million or 52.7% to \$663.0 million, compared with \$434.2 million in the six-month period ended June 30, 2024. This increase was mainly due to the higher realized gold price and sales volumes, as well as molybdenum sales volumes, slightly offset by a decrease in the molybdenum realized price.

Revenue from gold sales (net of treatment and refining charges) was \$304.4 million in the six-month period ended June 30, 2025 (six-month period ended June 30, 2024: \$140.8 million), an increase of \$163.6 million, due to a higher realized price and increased sales volumes. The realized gold price was \$3,263.4/oz in the six-month period ended June 30, 2025 compared with \$2,313.8/oz in the six-month period ended June 30, 2024, reflecting the average market price for six-month period ended June 30, 2025 of \$3,071.8/oz (six-month period ended June 30, 2024: \$2,205.1/oz) and a positive provisional pricing adjustment of \$22.2 million. Gold sales volumes increased by 53.1% from 61,000 ounces in the six-month period ended June 30, 2024 to 93,400 ounces in the six-month period ended June 30, 2025, mainly due to higher production at Centinela, primarily as a result of higher gold grades within the ores processed, as well as higher recoveries.

Revenue from molybdenum sales (net of treatment and refining charges) was \$311.2 million in the six-month period ended June 30, 2025 (six-month period ended June 30, 2024: \$266.0 million), an increase

of \$45.2 million. The increase was due to higher sales volumes of 7,200 tonnes (six-month period ended June 30, 2024: 5,600 tonnes), partially offset by a lower realized price of \$21.1/lb (six-month period ended June 30, 2024: \$22.8/lb).

Revenue from silver sales increased in the six-month period ended June 30, 2025 by \$20.0 million to \$47.4 million (six-month period ended June 30, 2024: \$27.4 million). The increase was due to higher sales volumes of 1.4 million ounces (six-month period ended June 30, 2024: 1.0 million ounces) and a higher realized silver price of \$33.1/oz (six-month period ended June 30, 2024: \$27.6/oz).

Transport division

Revenue from the Transport division (FCAB) decreased in the six-month period ended June 30, 2025 by \$12.1 million or 12.3% to \$85.9 million (six-month period ended June 30, 2024: \$98.0 million), mainly due to lower transport volumes in the rail business.

Operating Costs

Total operating costs for the six-month period ended June 30, 2025 increased by \$240.7 million from \$2,283.9 million to \$2,524.6 million for the reasons described below.

Mining division

Operating costs at the mining division for the six-month period ended June 30, 2025 were \$2,454.6 million, a \$247.1 million or 11.2% increase on operating costs at the mining division of \$2,207.5 million for the six-month period ended June 30, 2024. Of this increase, \$63.2 million was attributable to higher mine-site operating costs. This increase in mine-site costs was due to higher sales volumes and the stronger Chilean peso, partially offset by higher mine development credits at Centinela, lower unit costs, mainly due to the higher ore grade and recoveries at Centinela concentrates, the cost savings from the Group's Cost and Competitiveness Program and lower key input prices.

On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenues decreased from \$2.48/lb in the six-month period ended June 30, 2024 to \$2.24/lb in the six-month period ended June 30, 2025. By-product credits and treatment and refining charges, for accounting purposes, both impact revenue and do not therefore affect operating expenses.

The Competitiveness Program was implemented to reinforce the operational improvement and reduce the Group's cost base to improve its competitiveness within the industry. During the six-month period ended June 30, 2025, the Program achieved benefits of \$60.3 million in the mining division, of which \$33.8 million represented the value of productivity improvements and \$26.5 million reflected cost savings. Of the \$26.5 million of cost savings, \$26.2 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and \$0.3 million related to Zaldívar (on a 100% basis) and therefore impacted the share of results from associates and joint ventures. Operating costs at the mining division for the six-month period ended June 30, 2025 included depreciation of \$839.8 million and \$2.3 million of losses on disposals. Operating costs at the mining division for the six-month period ended June 30, 2024 included depreciation of \$630.0 million. Operating costs (excluding depreciation, amortization, loss on disposals and impairments) at the Mining division increased by \$35.0 million to \$1,612.5 million in the six-month period ended June 30, 2025, an increase of 2.2%.

Other mining division expenses decreased by \$32.4 million, mainly due to lower inventory provision expenses and reduced medium and long-term drilling costs at the mining operations.

Operating costs at the mining division include \$13.8 million (six-month period ended June 30, 2024: \$13.0 million) in respect of the "ad valorem" element of the mining royalty as Los Pelambres. As the

ad valorem element is based on revenue rather than profit, it does not meet the IAS 12 *Income Taxes* definition of a tax expense, and is therefore recorded as an operating expense. Refer to “– Income tax expense” below for more details. From a unit cash cost perspective, the ad valorem expense is included within “C3” cash costs, and is not included within the net cash cost and cash cost before by-product credits amounts, which are the Group’s principal cash cost metrics.

Exploration and evaluation costs decreased in the six-month period ended June 30, 2025 by \$1.1 million to \$25.7 million (six-month period ended June 30, 2024: \$26.8 million), reflecting decreased exploration and evaluation expenditure principally in respect of Chilean exploration.

Corporate costs increased by \$4.5 million, due to higher mining property licence fees as result of recent relevant regulatory changes.

Transport division

Operating costs at the transport division for six-month period ended June 30, 2025 were \$70.0 million, a \$6.4 million or 8.4% decrease on operating costs at the transport division of \$76.4 million for the six-month period ended June 30, 2024. Operating costs at the transport division for the six-month period ended June 30, 2025 included depreciation of \$17.9 million. Operating costs at the transport division for the six-month period ended June 30, 2024 included depreciation of \$17.2 million. Operating costs (excluding depreciation, amortization and loss on disposals) at the Transport division decreased in the six-month period ended June 30, 2025 by \$7.1 million to \$52.1 million (six-month period ended June 30, 2024: \$59.2 million), mainly due to the stronger Chilean peso and lower transport volumes.

Depreciation, amortization and disposals

The expense for depreciation, amortization and loss on disposals increased in the six-month period ended June 30, 2025 by \$212.8 million from \$647.2 million in the six-month period ended June 30, 2024 to \$860.0 million. This increase mainly reflected the increased sale volumes and increased depreciation of new assets.

Operating profit

As a result of the above factors, operating profit increased in the six-month period ended June 30, 2025 by \$603.5 million or 89.9% to \$1,274.8 million (six-month period ended June 30, 2024: \$671.3 million).

Net share of results from associates and joint ventures

Our net share of results from associates and joint ventures increased in the six-month period ended June 30, 2025 by \$16.1 million to \$33.3 million, compared with \$17.2 million in the six-month period ended June 30, 2024. This was mainly due to a higher contribution from Buenaventura.

EBITDA

EBITDA increased in the six-month period ended June 30, 2025 by \$839.8 million or 60.2% to \$2,234.2 million (six-month period ended June 30, 2024: \$1,394.4 million). EBITDA includes the Group’s proportional share of EBITDA from associates and joint ventures.

EBITDA from the mining division increased by \$845.7 million or 62.5% from \$1,351.9 million in the six-month period ended June 30, 2024 to \$2,197.6 million in the six-month period ended June 30, 2025. This reflected the higher revenue explained above and higher EBITDA from associates and joint ventures, slightly offset by higher mine-site costs.

EBITDA at the Transport division decreased in the six-month period ended June 30, 2025 by \$5.9 million to \$36.6 million (six-month period ended June 30, 2024: \$42.5 million), mainly due to lower transport volumes.

For the six-month period ended June 30, 2025, our EBITDA Margin was 59% (six-month period ended June 30, 2024: 47%), reflecting our revenue and EBITDA for the period as analyzed above.

Net finance income/(expense)

Net finance expense in the six-month period ended June 30, 2025 was \$146.1 million, a \$170.2 million difference compared to net finance income of \$24.1 million in the six-month period ended June 30, 2024. Net finance expense in the six-month period ended June 30, 2024 included \$51.0 million of exceptional fair value gains in respect of the Company's agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See "—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A." for further details. These gains are classified under "Other finance items". Net finance expense in the six-month period ended June 30, 2025 did not include any exceptional items.

Net finance expense (excluding exceptional items) of \$146.1 million in the six-month period ended June 30, 2025 reflected a variance of \$119.2 million compared with \$26.9 million of net finance income (excluding exceptional items) in the six-month period ended June 30, 2024.

	Six-Month Period Ended June 30,	
	2024	2025
	(in millions of U.S. dollars)	
Investment income.....	73.5	84.6
Interest expense	(132.1)	(177.8)
Other finance items (excluding exceptional items)	31.7 ⁽¹⁾	(52.9)
Net finance income/(expense) (excluding exceptional items).....	(26.9)	(146.1)

⁽¹⁾ Excludes \$51.0 million of exceptional fair value gains in respect of the Company's agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See "—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A." for further details.

Investment income increased from \$73.5 million in the six-month period ended June 30, 2024 to \$84.6 million in the six-month period ended June 30, 2025, mainly due to higher average cash and liquid investment balances.

Interest expense increased from \$132.1 million in the six-month period ended June 30, 2024 to \$177.8 million in the six-month period ended June 30, 2025, primarily due to the additional interest expense relating to Centinela's water transportation agreement during the current period, and in the comparative period the partial capitalization of the financing costs relating to Los Pelambres' Phase 1 Expansion Project in the final months of construction.

Other finance items (excluding exceptional items) were a net loss of \$52.9 million in the six-month period ended June 30, 2025, compared with a net gain of \$31.7 million in the six-month period ended June 30, 2024, a variance of \$84.6 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a \$39.4 million loss in the six-month period ended June 30, 2025 compared with a \$41.5 million gain in the six-month period

ended June 30, 2024. In addition, there was an expense of \$13.4 million in respect of the unwinding of the discounting of provisions (six-month period ended June 30, 2024: expense of \$9.7 million).

Profit before tax

As a result of the factors set out above, profit before tax increased in the six-month period ended June 30, 2025 by 63.1% to \$1,162.0 million (six-month period ended June 30, 2024: \$712.6 million). Profit before tax (excluding exceptional items) increased in the six-month period ended June 30, 2025 by 75.6% to \$1,162.0 million (six-month period ended June 30, 2024: \$661.6 million).

Income tax expense

Income tax expense for the six-month period ended June 30, 2025 increased by \$70.6 million to \$370.1 million (six-month period ended June 30, 2024: \$299.5 million) and the effective tax rate was 31.9% (six-month period ended June 30, 2024: 42.0%). During the six-month period ended June 30, 2024, we entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. An exceptional fair value gain of \$51.0 million was recognized during the six-month period ended June 30, 2025 in respect of this agreement. A deferred tax expense of \$12.7 million was recognized in respect of this gain in the six-month period ended June 30, 2025. In the six-month period ended June 30, 2025, an exceptional deferred tax credit of \$54.5 million was recognized in the income statement, due to the derecognition of the deferred tax liability which had previously been recognized through the income statement in relation to the agreement, as the requirements of the UK Substantial shareholdings exemption were met during the period. See “—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A.” for further details. Income tax expense for the six-month period ended June 30, 2025 (excluding exceptional items) increased by \$137.8 million to \$424.6 million (six-month period ended June 30, 2024: \$286.8 million) and the effective tax rate was 36.5% (six-month period ended June 30, 2024: 43.3%).

	Six-Month Period Ended June 30,			
	2024		2025	
	\$m	%	\$m	%
Profit before tax	712.6	—	1,162.0	—
Tax at the Chilean corporate tax rate of 27.0%	(178.7)	27.0	(313.7)	27.0
Adjustment in respect of prior years	3.8	(0.5)	4.1	(0.4)
Items not deductible from first category tax	(5.6)	0.8	(23.0)	2.0
Mining tax (royalty)	(117.0)	16.4	(97.3)	8.4
Deduction of mining royalty as an allowable expense in determination of first category tax	30.6	(4.3)	25.8	(2.2)
Withholding taxes	(13.5)	1.9	(23.3)	2.0
Tax effect of (loss)/profit of associates and joint ventures	(2.0)	0.3	9.8	(0.8)
Impact of previously unrecognized tax losses	(0.8)	0.1	(7.0)	0.6
Difference in overseas tax rate	—	—	1.0	(0.1)
Reversal of the provision against carrying value of assets (exceptional items)	—	—	54.5	(4.7)
Tax expense and effective tax rate for the year	(299.5)	42.0	(370.1)	31.9

The effective tax rate for the six-month period ended June 30, 2025 was 31.9%, which compares with 42.0% in the six-month period ended June 30, 2024. The complete reconciliation between the effective tax rate and the statutory tax rate reflects the following points:

- The mining tax (royalty) (net impact of \$71.5 million / 6.2% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax);

- The withholding tax relating to the remittance of profits from Chile (impact of \$23.3 million / 2.0%);
- Items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of \$23.0 million / 2.0%);
- The impact of unrecognized tax losses (impact of \$7.0 million / 0.6%);
- An offsetting 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 \$9.8 million / 0.8%); and
- Adjustments in respect of prior years (impact of \$4.1 million / 0.5%).

The Group's mining operations are subject to a mining tax (royalty). The new Chilean mining royalty took effect from January 1, 2024. The new royalty terms include a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability, as well as a 1% ad valorem royalty on copper sales. As the ad valorem element is based on revenue rather than profit it does not meet the IAS 12 *Income Taxes* definition of a tax expense, and is therefore recorded as an operating expense. From a unit cash cost perspective, the ad valorem expense is included within "C3" cash costs, and is not included within the net cash cost and cash cost before by-product credits amounts, which are the Group's principal cash cost metrics. The new royalty terms have 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% on Mining Operating Margin less the royalty ad-valorem expense.

Los Pelambres has been subject to the new royalty since January 1, 2024. Centinela and Antucoya have tax stability agreements in place, and so the new royalty rates will only impact their royalty payments from 2030 onwards. Until then, they continue to be subject to the previous royalty system, applying a progressive rate ranging from 5% to 14% of taxable operating profits, depending on the operating margin.

Results of Operations for Each of the Years Ended December 31, 2024, December 31, 2023 and December 31, 2022

The following table shows the principal components of our profit for each of the years ended December 31, 2022, 2023 and 2024:

	Year Ended December 31,		
	2022	2023	2024
	(in millions of U.S. dollars)		
Revenue	5,862.0	6,324.5	6,613.4
Total operating costs.....	(4,227.7)	(4,541.7)	(4,604.7)
Operating profit	1,634.3	1,782.8	2,008.7
Net share of results from associates and joint ventures	48.1	(13.5)	76.2
Gain on disposal of investment in joint venture	944.7	-	-
Operating profit and share of total results from associates and joint ventures	2,627.1	1,769.3	2,084.9
Net finance income/(expense)	(68.2)	196.2	(13.8)
Profit before tax	2,558.9	1,965.5	2,071.1
Income tax expense	(603.6)	(666.1)	(755.1)
Profit for the year	1,955.3	1,299.4	1,316.0

Year Ended December 31, 2024 Compared with the Year Ended December 31, 2023

Revenue

The \$288.9 million increase in revenue from \$6,324.5 million in the year ended December 31, 2023 to \$6,613.4 million in the year ended December 31, 2024 reflected the following factors:

Mining division

Revenue from the Mining division increased in the year ended December 31, 2024 by \$289.9 million, or 4.7%, to \$6,418.5 million, compared with \$6,128.6 million in the year ended December 31, 2023. The increase reflected a \$257.9 million increase in copper sales and a \$32.0 million increase in by-product revenue.

Copper

Revenue from copper concentrate and copper cathode sales increased in the year ended December 31, 2024 by \$257.9 million, or 5.0%, to \$5,405.3 million, compared with \$5,147.4 million in the year ended December 31, 2023. The increase reflected the impact of \$386.2 million from higher realized prices and a \$28.3 million increase in revenue from lower treatment and refining charges, partly offset by a \$156.6 million reduction due to lower sales volumes due to the rescheduling of vessels between periods following adverse weather conditions (sea swells) during December 2024 in the north of Chile.

The average realized copper price increased in the year ended December 31, 2024 by 7.4% to \$4.18/lb (2023: \$3.89/lb), resulting in a \$386.2 million increase in revenue. This was mainly due to the higher LME average market price, which increased in the year ended December 31, 2024 by 7.8% to \$4.15/lb (2023: \$3.85/lb). The realized price was marginally higher than the LME average market price due to the impact of the timing of sales during the year and provisional pricing adjustments.

Copper sales volumes reflected within revenue decreased by 2.9% from 625,300 tonnes in the year ended December 31, 2023 to 607,100 tonnes in the year ended December 31, 2024, decreasing revenue by \$156.6 million. This decrease was mainly due to lower sales volumes at Centinela (35,400 tonne decrease), as a result of lower grades at Centinela Concentrates and temporary shipment delays at the year-end due to bad weather conditions at the port.

Treatment and refining charges (TC/RCs) for copper concentrate decreased by \$28.3 million to \$185.3 million in the year ended December 31, 2024, compared with \$213.6 million in the year ended December 31, 2023, reflecting lower average TC/RC rates and to a lesser extent the decrease in concentrate sales volumes, due to lower grades at Centinela Concentrates.

Molybdenum, gold and other by-products

Revenue from by-product sales (net of tolling charges) at Los Pelambres and Centinela relates mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased in the year ended December 31, 2024 by \$32.0 million or 3.3% to \$1,013.2 million, compared with \$981.2 million in the year ended December 31, 2023. This increase was mainly due to the higher realized gold price, partly offset by a decrease in gold and molybdenum sales volumes.

Revenue from gold sales (net of treatment and refining charges) was \$446.8 million in the year ended December 31, 2024 (2023: \$406.9 million), an increase of \$39.9 million which reflected a higher realized price, partly offset by lower sales volumes. The realized gold price was \$2,528.3/oz in 2024 compared with \$1,989.5/oz in 2023, reflecting the average market price for 2024 of \$2,387.1/oz (2023: \$1,943.1/oz) and a positive provisional pricing adjustment of \$11.3 million. Gold sales volumes decreased by 13.6% from 204,900 ounces in 2023 to 177,000 ounces in 2024, reflecting lower grades at Centinela.

Revenue from molybdenum sales (net of treatment and refining charges) was \$488.2 million in the year ended December 31, 2024 (2023: \$504.2 million), a decrease of \$16.0 million. The decrease was mainly due to the lower sales volumes of 10,900 tonnes (2023: 11,100 tonnes) reflecting the lower production volumes mainly at Centinela.

Revenue from silver sales increased in the year ended December 31, 2024 by \$8.1 million to \$78.2 million (2023: \$70.1 million). The increase was due to a 25.0% higher realized silver price of \$30.0/oz (2023: \$24.0/oz), partly offset by a lower sales volume of 2.6 million ounces (2023: 3.0 million ounces).

Transport division

Revenue from the Transport division (FCAB) decreased in the year ended December 31, 2024 by \$1.0 million or 0.5% to \$194.9 million (2023: \$195.9 million), mainly due to foreign exchange differences and lower truck transport volumes.

Operating Costs

Total operating costs for the year ended December 31, 2024 increased by \$63 million from \$4,541.7 million to \$4,604.7 million. Total operating costs for the year ended December 31, 2024 included a \$371.4 million impairment reversal. See “—Factors Affecting Our Results of Operations—Exceptional items—Antucoya impairment reversal” for further details. There were no exceptional items included in total operating costs in the year ended December 31, 2023.

The \$434.4 million increase in total operating costs (excluding exceptional items) from \$4,541.7 million in the year ended December 31, 2023 to \$4,976.1 million in the year ended December 31, 2024 reflected the following factors:

Mining division

Operating costs at the mining division for the year ended December 31, 2024 were \$4,437.8 million, a \$48.5 million or 1% increase on operating costs at the mining division of \$4,389.3 million for the year ended December 31, 2023. Of this increase, \$67.6 million was attributable to higher mine-site operating costs. This increase in mine-site costs reflected higher unit costs mainly due to lower copper grades at Los Pelambres and Centinela Concentrates and a lower mine development credit at Centinela, partially offset by cost savings from the Group’s Competitiveness Program, lower key input prices and depreciation of the Chilean peso. On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenues increased from \$2.14/lb in the year ended December 31, 2023 to \$2.21/lb in the year ended December 31, 2024. Operating costs at the mining division for the year ended December 31,

2024 included depreciation of \$1,526.9 million, \$5.6 million of losses on disposals and a \$371.4 million impairment reversal. See “—Factors Affecting Our Results of Operations—Exceptional items—Antucoya impairment reversal” for further details. Operating costs at the mining division for the year ended December 31, 2023 included depreciation of \$1,179.6 million. Operating costs (excluding depreciation, amortization, loss on disposals and impairments) at the Mining division increased by \$67.0 million to \$3,276.7 million in the year ended December 31, 2024, an increase of 2.1%.

Closure provisions and other mining expenses increased by \$8.8 million in the year ended December 31, 2024, mainly reflecting increased medium and long-term drilling costs and evaluation expenses at Los Pelambres and Centinela. In the year ended December 31, 2024, operating costs at the Mining division included for the first time the “ad valorem” element of the new mining royalty at Los Pelambres, with an impact of \$28.7 million. As the ad valorem element is based on revenue rather than profit, it does not meet the IAS 12 *Income Taxes* definition of a tax expense, and is therefore recorded as an operating expense. Refer to “– Income tax expense” below for more details.

Exploration and evaluation costs decreased in the year ended December 31, 2024 by \$12.2 million to \$52.7 million (2023: \$64.9 million), reflecting decreased exploration and evaluation expenditure principally in respect of Chilean exploration.¹

Transport division

Operating costs at the transport division for the year ended December 31, 2024 were \$166.9 million, a \$14.5 million or 10% increase on operating costs at the transport division of \$152.4 million for the year ended December 31, 2023. Operating costs at the transport division for the year ended December 31, 2024 included depreciation of \$41.3 million. Operating costs at the transport division for the year ended December 31, 2023 included depreciation of \$31.7 million. Operating costs (excluding depreciation, amortization and loss on disposals) at the Transport division increased in the year ended December 31, 2024 by \$4.9 million to \$125.6 million (2023: \$120.7 million), mainly due to higher maintenance costs of rolling stock compensated by favorable foreign exchange differences.

Depreciation, amortization and disposals

The expense for depreciation, amortization and loss on disposals increased in the year ended December 31, 2024 by \$362.5 million from \$1,211.3 million in the year ended December 31, 2023 to \$1,573.8 million. This increase was mainly due to higher amortization of IFRIC 20 stripping costs at Centinela and the start of depreciation of the Los Pelambres Phase 1 Expansion Project, as well as depreciation of new assets at Los Pelambres and Centinela, partially offset by an increased amount of depreciation capitalized to inventory.

Operating profit

As a result of the above factors, operating profit increased in the year ended December 31, 2024 by \$225.9 million or 12.7% to \$2,008.7 million (2023: \$1,782.8 million). Operating profit (excluding exceptional items) decreased in the year ended December 31, 2024 by \$145.5 million or 8.2% to \$1,637.3 million (2023: \$1,782.8 million). The difference between operating profit and operating profit (excluding exceptional items) in the year ended December 31, 2024 is the \$371.4 million impairment reversal. See “—

¹ In order to better reflect the Group’s internal reporting, starting in the year ended December 31, 2024, the Group changed the classification of certain evaluation costs incurred by the individual mining operations. Previously, these evaluation costs were classified as exploration and evaluation costs. These costs are now included within the costs attributed to the individual mine segments. The exploration and evaluation costs for the year ended December 31, 2023 presented in this paragraph were restated to conform to the presentation for the year ended December 31, 2024. This resulted in a decrease of costs classified as exploration and evaluation costs for the year ended December 31, 2023 of \$76.2 million, from the previously reported amount of \$141.1 million to \$64.9 million. Refer to Note 6 to the 2024 Audited Financial Statements for further details.

Factors Affecting Our Results of Operations—Exceptional items—Antucoya impairment reversal” for further details.

Net share of results from associates and joint ventures

Our net share of results from associates and joint ventures² increased in the year ended December 31, 2024 by \$89.7 million to a gain of \$76.2 million, compared with a loss of \$13.5 million in the year ended December 31, 2023. This reflected the contribution from Buenaventura, which has been accounted for as an associate from March 2024 onwards, and also higher earnings from Zaldívar.

EBITDA

EBITDA increased in the year ended December 31, 2024 by \$339.6 million or 11.0% to \$3,426.8 million (2023: \$3,087.2 million). EBITDA includes the Group’s proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division increased by \$345.2 million or 11.5% from \$3,005.7 million in the year ended December 31, 2023 to \$3,350.9 million in the year ended December 31, 2024. This reflected the higher revenue, mainly due to increased realized prices, as well as higher EBITDA from associates and joint ventures, partially offset by the higher mine-site costs and lower sales volumes.

EBITDA at the Transport division decreased in the year ended December 31, 2024 by \$5.6 million to \$75.9 million (2023: \$81.5 million), due to higher operational costs and lower performance of the truck transport business.

For the year ended December 31, 2024, our EBITDA Margin was 52% (2023: 49%), reflecting our revenue and EBITDA for the period as analyzed above.

Net finance income/(expense)

Net finance expense in the year ended December 31, 2024 was \$13.8 million, a \$210 million difference compared to net finance income of \$196.2 million in the year ended December 31, 2023. Net finance expense in the year ended December 31, 2024 included \$51.0 million (2023: \$167.1 million) of exceptional fair value gains in respect of the Company’s agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See “—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A.” for further details. These gains are classified under “Other finance items”.

Net finance expense (excluding exceptional items) of \$64.8 million in the year ended December 31, 2024 reflected a variance of \$93.9 million compared with \$29.1 million of net finance income (excluding exceptional items) in the year ended December 31, 2023.

	Year Ended December 31,	
	2023	2024
	(in millions of U.S. dollars)	
Investment income.....	138.1	184.2
Interest expense	(105.6)	(312.2)
Other finance items (excluding exceptional items) ⁽¹⁾	(3.4)	63.2
Net finance income/(expense) (excluding exceptional items).....	29.1	(64.8)

² There were no exceptional items included in net share of results from associates and joint ventures for the years ended December 31, 2024 or 2023.

⁽¹⁾ The years ended December 31, 2024 and 2023 exclude \$51.0 million and \$167.1 million, respectively, of exceptional fair value gains in respect of the Company's agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See "—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A." for further details.

Investment income increased from \$138.1 million in the year ended December 31, 2023 to \$184.2 million in the year ended December 31, 2024, mainly due to higher average cash and liquid investment balances.

Interest expense increased from \$105.6 million in the year ended December 31, 2023 to \$312.2 million in the year ended December 31, 2024, primarily due to higher borrowings and the cessation of the capitalization of interest on borrowings relating to Los Pelambres' Phase 1 Expansion Project following the completion of the project construction, the interest expense relating to Centinela's water transportation agreement, and interest relating to the issue of the Group's \$750 million bond issued in May 2024.

Other finance items (excluding exceptional items) were a net gain of \$63.2 million in the year ended December 31, 2024, compared with a net loss of \$3.4 million in the year ended December 31, 2023, a variance of \$66.6 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities at year-end exchange rates, which resulted in a \$82.1 million gain in 2024 compared with a \$12.5 million gain in 2023. In addition, there was an expense of \$18.8 million in 2024 in respect of the unwinding of the discounting of provisions (2023: expense of \$15.8 million).

Profit before tax

As a result of the factors set out above, profit before tax increased in the year ended December 31, 2024 by 5.4% to \$2,071.1 million (2023: \$1,965.5 million). Profit before tax (excluding exceptional items) decreased in the year ended December 31, 2024 by 8.3% to \$1,648.7 million (2023: \$1,798.4 million).

Income tax expense

Income tax expense for the year ended December 31, 2024 increased by \$89 million to \$755.1 million (2023: \$666.1 million) and the effective tax rate was 36.5% (2023: 33.9%). Income tax expense for the year ended December 31, 2024 (excluding exceptional items) increased by \$4.1 million to \$628.4 million (2023: \$624.3 million) and the effective tax rate for the year was 38.1% (2023: 34.7%).

	Year Ended December 31,			
	2023		2024	
	\$m	%	\$m	%
Profit before tax	1,965.5	—	2,071.1	—
Tax at the Chilean corporate tax rate of 27.0%	(530.7)	27.0	(559.2)	27.0
Adjustment in respect of prior years	4.5	(0.2)	1.7	(0.1)
Items not deductible from first category tax	(21.4)	1.1	(3.9)	0.2
Mining tax (royalty)	(109.7)	5.6	(216.5)	10.5
Deduction of mining royalty as an allowable expense in determination of first category tax	29.5	(1.5)	55.8	(2.7)
Withholding taxes	(1.4)	0.1	(29.7)	1.4
Tax effect of (loss)/profit of associates and joint ventures	(3.6)	0.2	20.0	(1.0)
Impact of previously unrecognized tax losses	(2.3)	0.1	(77.8)	3.8
Adjustment to deferred tax in respect of mining royalty	(34.3)	1.7	67.1	(3.2)
Difference in overseas tax rate	—	—	1.1	(0.1)
Reversal of the provision against carrying value of assets (exceptional items)	—	—	(13.7)	0.7
Tax expense and effective tax rate for the year	(666.1)	33.9	(755.1)	36.5

The effective tax rate of 36.5% for the year ended December 31, 2024 varied from the statutory rate principally due to:

- The mining tax (royalty) (net impact of \$160.7 million / 7.8% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax);
- The impact of unrecognized tax losses (impact of \$77.8 million / 3.8%);
- The withholding tax relating to the remittance of profits from Chile (impact of \$29.7 million / 1.4%);
- Adjustments to deferred tax in respect of the mining royalty (impact of \$67.1 million / 3.2%).
- Items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of \$3.9 million / 0.2%);
- An offsetting 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 \$20.0 million / 1.0%);
- Adjustments in respect of prior years (impact of \$1.7 million / 0.1%);
- Reversal of the previous impairments recognized at Antucoya (impact of \$13.7 million / 0.7%); and
- Differences in overseas tax rates (impact of \$1.1 million / 0.1%).

The new Chilean mining royalty has taken effect from January 1, 2024. The new royalty terms include a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability, as well as a 1% ad valorem royalty on copper sales. As the ad valorem element is based on revenue rather than profit it does not meet the IAS 12 *Income Taxes* definition of a tax expense, and is therefore recorded as an operating expense. The new royalty terms have 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% on Mining Operating Margin less the royalty ad-valorem expense.

Los Pelambres has been subject to the new royalty since January 1, 2024. The impact of the new royalty for Los Pelambres in the year ended December 31, 2024 included the recognition of a \$28.7 million expense within operating expenses in respect of the ad valorem element. Zaldivar (which as a joint venture is equity accounted for, and so its tax expense is not consolidated within the above Group tax expense line) was also subjected to the new royalty from January 1, 2024. Centinela and Antucoya have tax stability agreements in place, thus the new royalty rates will only impact their royalty payments from 2030 onwards. Until then, they continue to be subject to the previous royalty system, applying a rate from 5% to 14% of taxable operating profit, depending on the level of operating profit margin.

Year Ended December 31, 2023 Compared with the Year Ended December 31, 2022

Revenue

The \$462.5 million increase in revenue from \$5,862.0 million in 2022 to \$6,324.5 million in the year ended December 31, 2023 reflected the following factors:

Mining division

Revenue from the Mining division increased in the year ended December 31, 2023 by \$460.0 million, or 8%, to \$6,128.6 million, compared with \$5,668.6 million in 2022. The increase reflected a \$241.9 million increase in copper sales and a \$218.1 million increase in by-product revenue.

Copper

Revenue from copper concentrate and copper cathode sales increased in the year ended December 31, 2023 by \$241.9 million, or 4.9%, to \$5,147.4 million, compared with \$4,905.5 million in 2022. The increase reflected the impact of \$230.7 million from higher sales volumes and \$69.0 million from higher realized prices, partly offset by \$57.8 million due to the impact of higher treatment and refining charges on the prices invoiced.

The average realized copper price increased in the year ended December 31, 2023 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 December 31, 2023, compared with \$3.80/lb at December 31, 2022. Conversely, there had been a \$169.8 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 December 31, 2022, compared with \$4.42/lb at December 31, 2021.

Copper sales volumes reflected within revenue increased in the year ended December 31, 2023 by 4.5% from 598,100 tonnes in 2022 to 625,300 tonnes in 2023, increasing revenue by \$230.7 million. This increase was due to higher copper sales volumes at Los Pelambres (27,800 tonnes increase), reflecting higher throughput in 2023, 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.

Treatment and refining charges (TC/RCs) for copper concentrate increased in the year ended December 31, 2023 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.

Molybdenum, gold and other by-products

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 realized prices.

Revenue from gold sales in the year ended December 31, 2023 (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 realized 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 realized 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 molybdenum sales in the year ended December 31, 2023 (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 realized price of \$22.0/lb (2022: \$20.8/lb).

Revenue from silver sales increased in the year ended December 31, 2023 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 realized silver price of \$24.0/oz (2022: \$21.2/oz).

Transport division

Revenue from the Transport division (FCAB) increased in the year ended December 31, 2023 by \$2.6 million or 1.3% to \$195.9 million (2022: \$193.4 million), mainly due to increased pricing in some contracts.

Operating Costs

The \$314.0 million increase in total operating costs³ from \$4,227.7 million in 2022 to \$4,541.7 million in the year ended December 31, 2023 reflected the following factors:

Mining division

Operating costs at the mining division for the year ended December 31, 2023 were \$4,389.3 million, a \$311.2 million or 7.6% increase on operating costs at the mining division of \$4,078.1 million for the year ended December 31, 2022. Of this increase, \$187.0 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 by-product credits and treatment and refining charges for concentrates (both of which for accounting purposes impact revenue and don't therefore affect operating expenses), increased from \$2.05/lb in 2022 to \$2.14/lb in 2023. This increase largely reflected general inflation and the stronger Chilean peso, partially offset by the cost savings from the Group's Cost and Competitiveness Program and lower key input prices and shipping costs. Operating costs at the mining division for the year ended December 31, 2023 included depreciation of \$1,179.6 million. Operating costs at the mining division for the year ended December 31, 2022 included depreciation of \$1,110.6 million and loss on disposals of \$2.1 million. Operating costs (excluding depreciation, amortization, 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%.

Closure provisions and other mining expenses increased in the year ended December 31, 2023 by \$5.1 million. Exploration and evaluation costs increased in the year ended December 31, 2023 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.⁴

Transport division

Operating costs at the transport division for the year ended December 31, 2023 were \$152.4 million, a \$2.8 million or 1.9% increase on operating costs at the transport division of \$149.6 million for the year ended December 31, 2022. Operating costs at the transport division for the year ended December 31, 2023 included depreciation of \$31.7 million. Operating costs at the transport division for the year ended December 31, 2022 included depreciation of \$30.5 million. Operating costs (excluding depreciation, amortization and loss on disposals) at the Transport division increased in the year ended December 31, 2023 by \$1.6 million to \$120.7 million (2022: \$119.1 million), mainly due to general inflation.

³ There were no exceptional items included in operating costs for the years ended December 31, 2023 or 2022.

⁴ In order to better reflect the Group's internal reporting, starting in the year ended December 31, 2024, the Group changed the classification of certain evaluation costs incurred by the individual mining operations. Previously, these evaluation costs were classified as exploration and evaluation costs. These costs are now included within the costs attributed to the individual mine segments. The exploration and evaluation costs for the years ended December 31, 2023 and 2022 presented in this paragraph have not been restated to conform to this reclassification. Refer to Note 6 to the 2024 Audited Financial Statements for further details.

Depreciation, amortization and disposals

The expense for depreciation, amortization and loss on disposals charge increased in the year ended December 31, 2023 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.

Compañía de Minas Buenaventura S.A.A.

During 2023, the Group entered into an agreement to acquire up to an additional 30 million shares in Buenaventura. Subsequent to the year-end, in March 2024, the agreement completed. An exceptional fair value pre-tax gain of \$167.1 million (\$125.3 million post tax) was recognized within other finance items during 2023 in respect of this agreement.

Operating profit

As a result of the above factors, operating profit⁵ increased by \$148.4 million or 9.1% in 2023 to \$1,782.8 million (2022: \$1,634.3 million).

Net share of results from associates and joint ventures

Our net share of results from associates and joint ventures⁶ was a loss of \$13.5 million in 2023, compared with 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 realized copper price and higher cash costs.

Gain of disposal of investment in joint venture

In the year ended December 31, 2022, our results included a \$944.7 million gain on disposal of investment in joint venture. See “—Factors Affecting Our Results of Operations—Exceptional items—Disposal of investment in Tethyan joint venture (Reko Diq project)” for further details.

EBITDA

EBITDA increased in the year ended December 31, 2023 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 in the year ended December 31, 2023. 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 (2022: \$80.0 million), reflecting the higher revenue and slightly increased EBITDA from associates, partly offset by the higher operating costs.

For the year ended December 31, 2023, our EBITDA Margin was 49% (2022: 50%), reflecting our revenue and EBITDA for the period as analyzed above.

⁵ There were no exceptional items included in operating profit for the years ended December 31, 2023 or 2022.

⁶ There were no exceptional items included in net share of results from associates and joint ventures for the years ended December 31, 2023 or 2022.

Net finance income/(expense)

Net finance income in the year ended December 31, 2023 was \$196.2 million, a \$264.4 million difference compared to net finance expense of \$68.2 million in the year ended December 31, 2022. Net finance income in the year ended December 31, 2023 included \$167.1 million (2022: \$nil) of exceptional fair value gains in respect of the Company's agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See “—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A” for further details. These gains are classified under “Other finance items”.

Net finance income (excluding exceptional items) increased in the year ended December 31, 2023 by \$97.3 million to \$29.1 million, compared with the \$68.2 million net expense in 2022.

	Year Ended December 31,	
	2022	2023
	(in millions of U.S. dollars)	
Investment income.....	40.2	138.1
Interest expense	(78.6)	(105.6)
Other finance items (excluding exceptional items)	(29.8)	(3.4) ⁽¹⁾
Net finance income/(expense) (excluding exceptional items).....	(68.2)	29.1

⁽¹⁾ Excludes \$167.1 million of exceptional fair value gains in respect of the Company's agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. See “—Factors Affecting Our Results of Operations—Exceptional items—Compañía de Minas Buenaventura S.A.A” for further details.

Investment 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, 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 capitalized).

Other finance items (excluding exceptional items) in the year ended December 31, 2023 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

As a result of the factors set out above, profit before tax decreased in the year-ended December 31, 2023 by 23.2% to \$1,965.5 million (2022: \$2,558.9 million). Profit before tax (excluding exceptional items) increased in the year ended December 31, 2023 by 11.4% to \$1,798.4 million (2022: \$1,614.2 million).

Income tax expense

Income tax expense for the year ended December 31, 2023 increased by \$62.5 million to \$666.1 million (2022: \$603.6 million) and the effective tax rate was 33.9% (2022: 23.6%). Income tax expense for the year ended December 31, 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%).

As a result of the approval of the new Chilean mining royalty during 2023, a one-off adjustment was 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 relating to the remittance of profits from Chile, 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 December 31,			
	2022		2023	
	\$m	%	\$m	%
Profit before tax	2,558.9	—	1,965.5	—
Tax at the Chilean corporate tax rate of 27.0%.....	(691.0)	27.0	(530.7)	27.0
Adjustment in respect of prior years	(2.6)	0.1	4.5	(0.2)
Items not deductible from first category tax	(33.9)	1.3	(21.4)	1.1
Mining tax (royalty).....	(94.5)	3.7	(109.7)	5.6
Deduction of mining royalty as an allowable expense in determination of first category tax	23.1	(0.9)	29.5	(1.5)
Withholding taxes	(73.0)	2.9	(1.4)	0.1
Tax effect of share of results of associates and joint ventures	13	(0.5)	(3.6)	0.2
Impact of previously unrecognized tax losses on current tax	0.2	—	(2.3)	0.1
Effect of increase in future royalty tax on deferred tax balances	—	—	(34.3)	1.7
Difference in overseas tax rate.....	—	—	3.3	(0.2)
Gain on disposal of investment in joint venture	255.1	(10.0)	—	—
Tax expense and effective tax rate for the year	(603.6)	23.6	(666.1)	33.9

The effective tax rate of 33.9% varied from the statutory rate principally due to the mining tax (royalty) (net impact of \$80.2 million/4.1% 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/1.7%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of \$21.4 million/1.1%), 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 unrecognized 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/0.2%), partly offset by adjustments in respect of prior years (impact of \$4.5 million/0.2%) and differences in overseas tax rates (impact of \$3.3 million/0.2%).

Liquidity and Capital Resources

We are a holding company and as such, our ability to meet our obligations depends on the earnings and cash flows of our subsidiaries.

Our primary source of liquidity is the revenue generated by our Mining division. Our primary capital needs are for working capital and capital expenditure related to the development of our existing operations.

Cash Flows

The following table shows the generation and use of cash in 2022, 2023 and 2024 and for the six-month periods ended June 30, 2025 and 2024.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Profit before tax	2,558.9	1,965.5	2,071.1	712.6	1,162.0
Depreciation	1,141.1	1,211.3	1,568.2	647.2	857.7
Net (loss)/gain on disposals.....	(2.1)	-	(5.6)	-	2.3
Exceptional items	(944.7)	(167.1)	(422.4)	(51.0)	-
Net share of (profit) / loss from associates and joint ventures	(48.1)	13.5	(76.2)	(17.2)	(33.3)
Net finance expense / (income) – excluding exceptional items.....	68.2	(29.1)	64.8	26.9	146.1
Increase in inventories.....	(180.7)	(31.6)	(166.5)	(131.9)	18.5
Decrease/(Increase) in debtors	27.0	(57.9)	243.1	247.0	(103.6)
(Decrease)/Increase in creditors	141.0	137.0	(10.7)	56.8	(234.3)
Decrease in provisions.....	(26.5)	(14.5)	(0.8)	(6.5)	(3.4)
Cash flows from operations	2,738.3	3,027.1	3,276.2	1,483.9	1,812.0
Interest paid	(74.3)	(166.0)	(324.1)	(129.8)	(236.8)
Income tax paid	(787.1)	(528.1)	(666.8)	(316.8)	(421.4)
Net cash from operating activities	1,876.9	2,333.0	2,285.3	1,037.3	1,153.8
Investing Activities					
Capital contributions to associates and joint ventures.....	-	(0.6)	-	-	-
Dividends from associates and joint ventures.....	50.0	-	3.5	3.5	14.5
Investment in other financial assets.....	-	(290.1)	-	-	-
Acquisition of equity investments.....	(66.5)	(60.7)	-	-	-
Proceeds from disposal of investments in joint venture	-	944.7	-	-	-
Proceeds from sale of property, plant and equipment.....	0.2	-	0.3	-	0.2
Purchases of property, plant and equipment	(1,879.2)	(2,129.2)	(2,414.9)	(1,059.5)	(1,620.4)
Net (increase)/decrease in liquid investments	1,388.9	(674.2)	148.5	(648.9)	146.6
Interest received	29.1	117.1	181.0	52.5	101.9
Net cash used in investing activities ...	(477.5)	(2,093.0)	(2,081.6)	(1,652.2)	(1,357.4)
Financing Activities					
Dividends paid to owners of the Parent.	(1,262.9)	(613.2)	(317.4)	(239.6)	(231.7)
Dividends paid to preference shareholders of the Company.....	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Dividends paid to non-controlling interests	(80.0)	(388.0)	(240.0)	-	(40.0)
Capital increase from non-controlling interest ¹	-	-	156.7	39.7	115.8
Agreement to acquire non-controlling interest.....	-	-	-	-	(80.0)
Proceeds from issue of other financial liabilities	-	-	598.6	600.0	-
Proceeds from issue of new borrowings	865.9	1,062.2	2,222.9	1,564.8	2,257.3

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Repayments of borrowings.....	(751.3)	(381.7)	(917.0)	(408.3)	(1,354.3)
Principal elements of lease payments....	(105.4)	(81.2)	(152.7)	(74.5)	(56.3)
Repayment of other financial liabilities.	-	-	(4.6)	-	(5.2)
Net cash used in financing activities ..	(1,333.8)	(402.0)	1,346.4	1,482.0	605.5
Net (decrease)/increase in cash and cash equivalents.....	65.6	(162.0)	1,550.1	867.1	401.9
Cash and cash equivalents at beginning of period.....	743.4	810.4	644.7	644.7	2,189.2
Foreign exchange (losses)/gains	1.4	(3.7)	(5.6)	(3.3)	9.8
Cash and cash equivalents at end of period	810.4	644.7	2,189.2	1,508.5	2,600.9

(1) In the year ended December 31, 2024 and the six-month period ended June 30, 2024, related to Marubeni Corporation's capital contribution of \$156.7 million and \$39.7 million, respectively, in Centinela in respect of financing for the Centinela Second Concentrator Project. In the six-month period ended June 30, 2025, related to Marubeni Corporation's capital contribution of \$115.8 million in Centinela in respect of financing for the Centinela Second Concentrator Project.

Cash flows from continuing operations were \$1,812.0 million in the six-month period ended June 30, 2025 compared with \$1,483.9 million in the six-month period ended June 30, 2024.

This comprised EBITDA from subsidiaries for the period of \$2,134.8 million (six-month period ended June 30, 2024: \$1,318.5 million) adjusted for the negative impact of a net working capital increase of \$319.4 million (six-month period ended June 30, 2024: positive impact of \$171.9 million from a net working capital decrease), and the negative impact of a decrease in provisions of \$3.4 million (six-month period ended June 30, 2024: negative impact of an decrease in provisions of \$6.5 million).

The \$319.4 million working capital decrease in the six-month period ended June 30, 2025 was due to a decrease in accounts payable and an increase in receivables (reflecting the higher copper price and higher volumes included in receivables at June 30, 2025 compared with December 31, 2024), partly offset by a decrease of work in progress and finished goods inventories at Los Pelambres and Centinela.

The net cash outflow in respect of tax in the six-month period ended June 30, 2025 was \$421.4 million (six-month period ended June 30, 2024: \$316.8 million). This amount differs from the current tax charge in the consolidated income statement (including exceptional items) of \$358.2 million (six-month period ended June 30, 2024: \$394.0 million) mainly because cash tax payments for corporate tax and the mining tax include payments on account for the current year (based on prior periods' profit levels) of \$350.8 million (six-month period ended June 30, 2024: \$218.8 million), withholding tax payments of \$30.5 million (six-month period ended June 30, 2024: \$66.5 million), the settlement of outstanding balances in respect of the previous year's tax charge of \$40.1 million (six-month period ended June 30, 2024: \$49.3 million) and in the six-month period ended June 30, 2024 the recovery of \$17.8 million in respect of prior years.

Capital expenditure in the six-month period ended June 30, 2025 was \$1,620.4 million compared with \$1,059.5 million in the six-month period ended June 30, 2024, mainly due to the Second Concentrator Project at Centinela as well as the Desalination Plant Expansion, Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres, and also increased IFRIC 20 stripping costs at Centinela, partly offset by the completion of the Los Pelambres Phase 1 Expansion project in the six-month period ended June 30, 2024.

Dividends paid to equity holders of the Company in the six-month period ended June 30, 2025 were \$231.7 million (six-month period ended June 30, 2024: \$239.6 million), related to the payment of the final dividend declared in respect of 2024.

Agreement to acquire non-controlling interest was \$80.0 million (six-month period ended June 30, 2024: nil). In January 2025, the Group entered into an agreement with Mineralinvest to acquire its 49% interest in Antomin Investors' copper exploration properties in the Centinela District for \$80 million. Properties currently held by Antomin Investors that are outside the Centinela District have been demerged into a new entity, Antomin Volcanes, held 51% by the Group and 49% by Mineralinvest. The acquisition of the remaining 49% stake in Antomin Investors is expected to be completed later in 2025. As Antomin Investors is a subsidiary of the Antofagasta plc Group, this agreement to acquire the remaining 49% stake in Antomin Investors constitutes an agreement to acquire own equity instruments in accordance with IAS 32 *Financial Instruments: Presentation*. Refer to "Related Party Transactions" for further details.

Dividends paid by subsidiaries to non-controlling shareholders were \$40.0 million (six-month period ended June 30, 2024: nil).

A capital contribution of \$115.8 million was received from Marubeni, the minority partner at Centinela, in respect of financing for the Centinela Second Concentrator project (six-month period ended June 30, 2024: \$39.7 million).

Dividends received from associates and joint ventures of \$14.5 million (six-month period ended June 30, 2024: \$3.5 million) related to a dividend received from Compañía de Minas Buenaventura S.A.A.

Cash flows from operations were \$3,276.2 million in 2024 compared with \$3,027.1 million in 2023 and \$2,738.3 million in 2022.

This reflected EBITDA from subsidiaries for the year of \$3,211.1 million (2023: \$2,994.1 million and 2022: \$2,777.5 million) adjusted for the positive impact of a net working capital decrease of \$65.9 million (2023: positive impact of \$47.5 million from a net working capital decrease and 2022: net working capital increase of \$12.7 million), partly offset by a non-cash decrease in provisions of \$0.8 million (2023: negative impact of a decrease in provisions of \$14.5 million and 2022: decrease of \$26.5 million).

The \$65.9 million working capital decrease of 2024 reflected a decrease in receivables, predominantly due to lower sales volumes in December 2024 compared with December 2023 (largely due to temporary shipment delays at Centinela at the 2024 year-end due to bad weather conditions at the port), offset by an increase of work in progress inventories at Centinela and a decrease in accounts payables.

Interest paid increased from \$166.0 million in 2023 to \$324.1 million in 2024, reflecting increased borrowings and the cessation of the capitalization of interest on borrowings relating to Los Pelambres' Phase 1 Expansion Project following the completion of the project construction, the interest expense relating to Centinela's water transportation agreement, and interest relating to the issue of the Group's \$750 million bond in May 2024. Interest paid increased from \$74.3 million in 2022 to \$166.0 million in 2023, reflecting increased borrowings and the increase in average interest rates.

The net cash outflow in respect of tax in 2024 was \$666.8 million (2023: \$528.1 million and 2022: \$787.1 million). This amount differs from the current tax charge in the consolidated income statement (including exceptional items) of \$662.9 million (2023: \$586.8 million and 2022: \$448.8 million) as the cash tax payments reflect payments on account for 2024 based on prior periods' profit levels of \$567.8 million (2023: \$544.3 million and 2022: \$435.6 million), the settlement of outstanding balances in respect of the previous year's tax charge of \$49.2 million (2023: \$14.7 million and 2022: \$332.1 million) and

withholding tax payments of \$71.1 million (2023: \$2.1 million and 2022: \$24.5 million), partly offset by the recovery of \$21.3 million relating to prior years (2023: \$33.0 million and 2022: \$5.1 million).

Net cash used in investing activities was \$2,081.6 million in 2024 compared with \$2,093.0 million in 2023 and \$477.5 million in 2022.

Contributions and loans to associates and joint ventures were zero (2023: \$0.7 million and 2022: zero).

Capital expenditure in 2024 was \$2,414.9 million compared with \$2,129.2 million in 2023 and \$1,879.2 million in 2022. This included expenditure of \$1,414.0 million at Centinela (2023: \$1,044.6 million and 2022: \$857.0 million), \$833.0 million at Los Pelambres (2023: \$897.1 million and 2022: \$889.7 million), \$123.4 million at Antucoya (2023: \$121.6 million and 2022: \$66.9 million), \$7.1 million at the corporate centre (2023: \$15.5 million and 2022: \$10.8 million) and \$37.4 million at the Transport division (2023: \$50.4 million and 2022: \$54.8 million). The increase in capital expenditure reflects the start of the Centinela Second Concentrator Project, the completion of the Los Pelambres Phase 1 Expansion project, and increased sustaining capital expenditure at Los Pelambres, partly offset by decreased IFRIC 20 stripping costs at Centinela and Los Pelambres.

Acquisitions of equity investments were zero in 2024 (2023: \$60.7 million and 2022: \$66.5 million).

Interest received increased from \$117.1 million in 2023 to \$181.0 million in 2024 (and from \$29.1 million in 2022 to \$117.1 million in 2023), mainly due to higher average cash and liquid investment balances.

Net cash flow from financing activities was \$1,346.4 million in 2024 compared with net cash used in financing activities of \$402.0 million in 2023 and \$1,333.8 million in 2022.

Dividends paid to equity holders of the Company during the year ended December 31, 2024 were \$317.4 million (2023: \$613.2 million and 2022: \$1,262.9 million), of which \$239.6 million related to the payment of the previous year's final dividend and \$77.9 million to the interim dividend declared in respect of 2024. Dividends paid by subsidiaries to non-controlling shareholders for the year ended December 31, 2024 were \$240.0 million (2023: \$388.0 million and 2022: \$80.0 million). A capital contribution of \$156.7 million was received from Marubeni, the minority partner at Centinela, in respect of financing for the Centinela Second Concentrator Project. Dividends received from associates and joint ventures for the year ended December 31, 2024 were \$3.5 million (2023: zero and 2022: \$50.0 million). In 2023, there was a \$944.7 million cash inflow in respect of the Group's disposal of its 50% interest in the Tethyan joint venture and a \$290.1 million cash outflow in respect of investment in other financial assets related to the agreement to acquire up to 30 million shares in Buenaventura.

Borrowings and Other Financial Liabilities

The following table shows our total borrowings and other financial liabilities as at December 31, 2022, 2023 and 2024 and June 30, 2025:

	As at December 31			As at June 30
	2022	2023	2024	2025
	(in millions of U.S. dollars)			
Los Pelambres				
Senior Loan	(1,470.5)	(2,067.2)	(1,887.6)	(1,570.9)
Other loans	—	—	(475.0)	—
Bonds.....	—	—	—	(1,527.3)

	As at December 31			As at June 30
	2022	2023	2024	2025
	(in millions of U.S. dollars)			
Leases.....	(55.3)	(45.2)	(19.2)	(30.3)
Centinela				
Senior Loan	(276.7)	(166.3)	(572.6)	(835.7)
Other loans	—	(265.0)	(195.0)	(150.0)
Other financial liabilities	—	—	(594.0)	(588.8)
Leases.....	(35.2)	(142.8)	(114.1)	(81.5)
Antucoya				
Senior Loan	(223.5)	(174.1)	(124.6)	(99.7)
Subordinated Debt.....	(171.5)	(187.6)	(205.5)	(198.4)
Leases.....	(16.5)	(17.4)	(13.4)	(36.4)
Corporate				
Bonds.....	(985.3)	(986.8)	(1,729.0)	(1,731.3)
Leases.....	(23.1)	(18.4)	(12.1)	(11.2)
Transport Division				
Senior loan	(15.3)	(5.0)	—	—
Leases.....	(1.6)	(0.9)	(0.9)	(1.0)
Preference Shares	(2.5)	(2.5)	(2.4)	(2.9)
Total borrowings and other financial liabilities	(3,277.0)	(4,079.2)	(5,945.4)	(6,865.4)

Los Pelambres. The senior loans at Los Pelambres consist of:

- a \$200 million U.S. dollar denominated syndicated loan with a remaining duration as at June 30, 2025 of 3.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 1.28%. The loan is subject to financial covenants which require that specified Net Debt to EBITDA and EBITDA to finance expense ratios are maintained.
- a \$185 million U.S. dollar denominated bullet loan with a remaining duration as at June 30, 2025 of 2.5 years and an interest rate of Term SOFR six-month rate plus 1.40%.
- three U.S. dollar denominated senior loans for a total outstanding amount of \$758.75 million as at June 30, 2025. The first loan is a bullet for \$200 million with a remaining duration as at June 30, 2025 of 1.5 years and an interest rate of Term SOFR six-month rate plus 1.60%. The second loan is also a bullet for \$200 million with a remaining duration of 3.5 years as at June 30, 2025 and an interest rate of Term SOFR six-month rate plus 1.69%. The third loan is for \$410 million with \$358.75 million outstanding as at June 30, 2025, has a remaining duration of 3.5 years, amortizing, and an interest rate of Term SOFR six-month rate plus 1.70%.
- a U.S. dollar denominated senior loan issued in March 2025 as part of a financing associated with its water infrastructure for a total amount of \$450 million with a remaining duration of 9 years as of June 30, 2025 and an interest rate of Term SOFR three-month rate plus a current spread of 1.875%. In connection with the financing, Minera Los Pelambres set up a subsidiary to hold its water assets and incur debt from senior creditors. Minera Los Pelambres entered into a series of agreements with the subsidiary, pursuant to which Minera Los Pelambres agreed to pay the subsidiary a tariff for receiving water from the subsidiary, including an amount sufficient to service the subsidiary's third-party debt the ("Los Pelambres Water Financing Structure").

The bonds outstanding at Los Pelambres consist of \$1,550 million in aggregate principal amount of privately placed senior notes with a 7.07% interest rate issued in March 2025 as part of a financing associated with its water infrastructure. The bonds were issued under the Los Pelambres Water Financing Structure and mature in 2045.

The leases at Los Pelambres consist of equipment leases embedded within wider service contracts, denominated in Unidad de Fomento (inflation-linked Chilean pesos), Chilean pesos and dollars.

Centinela. The senior loans at Centinela consist of Centinela's project finance in respect of the Centinela Second Concentrator Project, which has a committed amount of \$2.5 billion. During the year ended December 31, 2024 there were three debt disbursements totaling \$619.5 million, and during the six-month period ended June 30, 2025 there was one disbursement totaling \$293.6 million. As at June 30, 2025, the borrowing has a remaining 10.5-year duration and is divided in the six different tranches with interest rates of Term SOFR six-month rate plus margins of between 0.85% and 1.90%. As at June 30, 2025, the amount outstanding was \$835.7 million.

The other loans at Centinela consist of a short-term loan issued in July 2024 for a total amount of \$150 million, which as at June 30, 2025 had a remaining term of less than 1 year.

The other financial liability at Centinela is an 18-year water transportation agreement entered into in June 2024 involving its water supply to the Centinela Second Concentrator Project. Under the terms of the agreement, Centinela's existing water transportation assets have been legally transferred to an international consortium for net cash proceeds of \$598.6 million. For accounting purposes, it has been determined that Centinela continues to control the assets, as it will continue to obtain substantially all the remaining benefits from the assets. Accordingly, the existing assets remain in Centinela's balance sheet, with the cash receipt resulting in the recognition of the corresponding other financial liability balance, which is expected to be repaid over the 18-year agreement term.

The leases at Centinela consist of equipment leases embedded within wider service contracts, denominated in Unidad de Fomento (inflation-linked Chilean pesos), Chilean pesos and dollars.

Antucoya. The senior loan at Antucoya represents a U.S. dollar denominated syndicated loan with an amount outstanding of \$100 million as at June 30, 2025. This loan had a remaining duration as at June 30, 2025 of 2 years and 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.

The subordinated debt at Antucoya is U.S. dollar denominated, provided to Antucoya by Marubeni Corporation with a remaining duration as at June 30, 2025 of 2 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 4.08%. The outstanding amount as at June 30, 2025 is \$198.4 million. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.

The leases at Antucoya consist of equipment leases embedded within wider service contracts, denominated in Unidad de Fomento (inflation-linked Chilean pesos), Chilean pesos and dollars.

Corporate. In October 2020 Antofagasta issued a corporate bond for \$500 million with a 10-year tenor with a coupon rate of 2.375%. In May 2022, Antofagasta issued a corporate bond for \$500 million with a 10 year tenor with a coupon of 5.625%. In May 2024, Antofagasta issued a corporate bond for \$750 million with a 10 year tenor with a coupon of 6.250%.

Financial leases at Corporate and other items are denominated in Unidades de Fomento (inflation-linked Chilean pesos) and had a remaining duration as at June 30, 2025 of 3 years and are at fixed rates

with an average interest rate of 5.2%. Corporate also has property lease agreements and equipment leases embedded within wider service contracts which are denominated in different currencies.

Transport Division. The leases in the Transport division consist of equipment leases embedded within wider service contracts, denominated in Unidad de Fomento (inflation-linked Chilean pesos) and Chilean pesos.

Preference Shares. The preference shares are Sterling-denominated and issued by Antofagasta. There are 2 million shares of £1 each authorized, 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.

Net Debt

The table below shows our financial position as of December 31, 2022, 2023 and 2024 and as of June 30, 2025 and 2024.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Cash and cash equivalents.....	810.4	644.7	2,189.2	1,508.5	2,600.9
Liquid investments	1,580.8	2,274.7	2,127.1	2,923.7	1,976.8
Short-term borrowings and other financial liabilities	432.5	901.9	1,322.5	1,460.8	421.0
Medium and long-term borrowings and other financial liabilities.....	2,844.5	3,177.3	4,622.9	4,410.0	6,444.4
Net Debt.....	885.8	1,159.8	1,629.1	1,438.6	2,287.7

At June 30, 2025, the Group had cash and cash equivalents of \$2,600.9 million and liquid investments of \$1,976.8 million (June 30, 2024: \$1,508.5 million and \$2,923.7 million, respectively). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was \$3,442.2 million (June 30, 2024: \$3,572.2 million).

Total Group borrowings and other financial liabilities at June 30, 2025 were \$6,865.4 million, an increase of \$920.0 million during the period (at June 30, 2024: \$5,945.4 million). The increase was mainly due to \$1,527.3 million in respect of the bond issued by Los Pelambres, \$436.4 million from the senior loan at Los Pelambres and \$293.6 million in respect of the project financing at Centinela, partly offset by repayments of the senior loans at Los Pelambres (\$761.0 million), Centinela (\$33.3 million) and Antucoya (\$25.0 million), and repayment of the short-term loan at Los Pelambres (\$475.0 million).

Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was \$5,016.9 million (June 30, 2024: \$4,394.0 million).

This resulted in net debt at June 30, 2025 of \$2,287.7 million (June 30, 2024: net debt \$1,438.6 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of \$1,574.7 million (June 30, 2024: net debt \$821.8 million).

At December 31, 2024 the Group had \$2,189.2 million of cash and cash equivalents and \$2,127.1 million of liquid investments (December 31, 2023: \$644.7 million cash and cash equivalents and \$2,274.7 million of liquid investments; December 31, 2022: \$810.4 million cash and cash equivalents and \$1,580.8

million of liquid investments). Excluding the non-controlling interest share in each partly owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was \$3,513.5 million (December 31, 2023: \$2,490.5 million and December 31, 2022: \$1,991.0 million).

Total Group borrowings and other financial liabilities at December 31, 2024 were \$5,945.4 million, an increase of \$1,866.2 million compared with December 31, 2023 (December 31, 2023: \$4,079.2 million and December 31, 2022: \$3,277.0 million). The increase was mainly due to \$741.7 million from the issue of the new corporate bond, \$670.0 million in respect of short-term loans at Los Pelambres (\$475.0 million) and Centinela (\$195.0 million), \$598.6 million from the other financial liability in respect of the water transportation agreement at Centinela, \$536.1 million in respect of the project financing at Centinela, \$182.2 million in respect of a senior loan at Los Pelambres, partly offset by a \$559.0 million repayment of the senior loans at Los Pelambres (\$370.7 million), Centinela (\$133.3 million), Antucoya (\$50.0 million) and the Transport division (\$5.0 million), as well as a \$265.0 million repayment of the short-term loan at Centinela and a \$4.6 million repayment of the other financial liability at Centinela.

In June 2024, Centinela entered into a water transportation agreement, involving its water supply to the Centinela Second Concentrator Project. Under the terms of the agreement, Centinela's existing water transportation assets and rights have been legally transferred to an international consortium for net cash proceeds of \$598.6 million. For accounting purposes, the existing assets remain in the Group's balance sheet, with the cash receipt resulting in the recognition of the corresponding other financial liability balance. Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was \$4,446.8.0 million (December 31, 2023: \$2,948.3 million and December 31, 2022: \$2,449.7 million).

This resulted in Net Debt at December 31, 2024 of \$1,629.1 million (December 31, 2023: \$1,159.8 million and December 31, 2022: \$885.8 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable Net Debt position of \$933.3 million (December 31, 2023: Net Debt \$457.8 million and December 31, 2022: net cash \$458.7 million).

Capital Expenditure

Capital expenditure increased by \$560.9 million from \$1,059.5 million in the six-month period ended June 30, 2024 to \$1,620.4 million in the six-month period ended June 30, 2025, mainly due to the Second Concentrator Project at Centinela as well as the Desalination Plant Expansion, Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres, and also increased IFRIC 20 stripping costs at Centinela, partly offset by the completion of the Los Pelambres Phase 1 Expansion project in the six-month period ended June 30, 2024.

Capital expenditure increased by \$285.7 million from \$2,129.2 million in 2023 to \$2,414.9 million in the year ended December 31, 2024 (2022: \$1,879.2 million), including \$866.6 million of sustaining capital expenditure, \$388.6 million of mine development activities and \$1,159.7 million of growth expenditure. This increase principally relates to the start of the Centinela Second Concentrator Project and the completion of the Los Pelambres Phase 1 Expansion project, and higher sustaining capital expenditure at Los Pelambres, partly offset by decreased IFRIC 20 stripping costs at Centinela and Los Pelambres.

The following table sets forth the breakdown of our capital expenditure by type for the periods below:

	For Years Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Mine Development Capital Expenditure	582	792	389	202	379
Sustaining Capital Expenditure	562	741	866	341	476
Growth Capital Expenditure	676	544	1,160	498	749
Other Capital Expenditure	59	52	–	19	16
Total Capital Expenditure	1,879	2,129	2,415	1,060	1,620

Where possible, debottlenecking and incremental plant expansions are used to increase throughput and improve overall efficiencies, as these projects often have lower capital expenditure requirements and generate higher returns than greenfield projects.

We continue to review our options for maximizing returns and reducing the capital cost of projects, and are enhancing the capabilities of the project team to improve our project execution strategy, management and control.

In 2025, consolidated Group capital expenditure, which excludes Zaldívar, is expected to be \$3.9 billion, in line with prior directional guidance, as development expenditure peaks on the Centinela Second Concentrator Project and as other growth projects at Los Pelambres and Centinela are advanced during the year.

Our projects under construction include:

Los Pelambres Expansion – Desalination Plant Expansion and Replacement of the Concentrate Pipeline

In 2023, Los Pelambres received approval of the EIA required for this project, which includes the expansion of the desalination plant from 400 l/s to 800 l/s and two other sustaining capital infrastructure projects:

1. The replacement of the concentrate pipeline. The new pipeline's route will differ from 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 reduce the risk of unplanned downtime from the existing pipeline which has been in operations over 20 years, and is planned to be in operation from 2027; and
2. Construction of certain planned enclosures at the El Mauro tailings storage facility.

These projects are designed to enhance the resilience of Los Pelambres against the future impact of climate change and the deteriorating availability of water in the region. The project cost will be reported as part of the Group's sustaining capital expenditure, and is expected to cost approximately \$2 billion. Construction commenced during 2024 and is expected to be completed in 2027.

Centinela Second Concentrator Project

In March 2024, the Group announced the commencement of full construction of the Centinela Second Concentrator Project. The project includes the construction of a second concentrator and tailings deposit, approximately 7 km from the existing concentrator. The EIA was approved by the authorities in 2016.

Following completion of the initial phase of construction, the capacity of the new concentrator is expected to 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.

The projected capital cost of the project is \$4.0 billion. The estimate includes costs related to a concentrator plant, capitalized 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. In March 2024, Centinela entered into a definitive agreement with a group of international lenders for a \$2.5 billion project financing term loan facility (the "Centinela Term Loan Facility") with a 4-year drawdown period and a term of approximately 12 years. Under the terms of the Centinela Term Loan Facility, the Company is required to guaranty certain obligations of Centinela until certain milestones are completed in connection with the project.

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 is expected to 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.

In March 2024, the Company also announced that it entered into a detailed agreement that provides Centinela with the option to receive water for its current and future operations from an experienced international consortium who would acquire Centinela's existing water supply system and build an expansion of this system to supply the Centinela Second Concentrator Project. As at June 30, 2025, construction activities are progressing in line with expectations and on budget, including work on the camp facilities, ore delivery system, concentrator and tailings facility, and are over 50% complete.

Contractual Obligations

The following table analyzes the maturity of our contractual commitments in respect of our financial liabilities and derivative financial instruments as at June 30, 2025. The table is based on the undiscounted cash flows on the earliest date on which we can be required to pay. The table includes both interest and principal cash flows.

Contractual Obligations	Payments due by period (\$m)				
	Total	Less than 1 year	1-2 years	2-5 years	After 5 years
Senior Loans.....	(2,506.3)	(198.2)	(398.8)	(636.1)	(1,273.2)
Bond.....	(3,258.6)	-	-	-	(3,258.6)
Other Loans.....	(348.4)	(150.0)	(198.4)	-	-
Other Financial Liabilities.....	(588.8)	(11.4)	(12.9)	(49.8)	(514.7)
Leases.....	(160.4)	(72.9)	(38.7)	(48.8)	-
Preference Shares ⁽¹⁾	(2.9)	-	-	-	(2.9)
Total.....	(6,865.4)	(432.5)	(648.8)	(734.7)	(5,049.4)

⁽¹⁾ The preference shares pay an annual dividend of £100,000 in perpetuity, and accordingly it is not possible to determine total amounts payable for periods without a fixed end date.

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2025, we did not have any off-balance sheet arrangements.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Determining many of the amounts included in the financial statements involves the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimates is included in Note 3 to the Annual Audited Financial Statements and Note 1(d) to the Interim Unaudited Financial Statements.

Quantitative and Qualitative Disclosures About Market Risk

Our activities expose us to a variety of market risks, including commodity price risk, currency risk, interest rate risk and other price risk. We periodically use derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. We do not use such derivative instruments for speculative trading purposes.

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for the six-month period ended June 30, 2025 and the years ended December 31, 2024, 2023 and 2022 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average U.S. dollar/Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during the periods specified below, and the impact of the movement in the average exchange rate shows the estimated impact on Chilean peso denominated operating costs during the period. 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 period-end.

	Average market commodity price/average exchange rate for the year ended December 31, 2022	Impact of a 10% movement in the commodity price/exchange rate on EBITDA for the year ended December 31, 2022 \$m	Average market commodity price/average exchange rate for the year ended December 31, 2023	Impact of a 10% movement in the commodity price/exchange rate on EBITDA for the year ended December 31, 2023 \$m	Average market commodity price/average exchange rate for the year ended December 31, 2024	Impact of a 10% movement in the commodity price/exchange rate on EBITDA for the year ended December 31, 2024 \$m	Average market commodity price/average exchange rate for the six-month period ended June 30, 2025	Impact of a 10% movement in the commodity price/exchange rate on EBITDA for the June 30, 2025 \$m
Copper price	\$4.00/lb	566	\$3.85/lb	566	\$4.15/lb	590	\$4.28/lb	306
Molybdenum price	\$18.7/lb	38	\$24.1/lb	59	\$21.3/lb	51	\$20.6/lb	33
Gold price	\$1,800/oz	31	\$1,943/oz	40	\$2,387/oz	42	\$3,071.8/oz	29
U.S. dollar/Chilean peso exchange rate	Ch\$872/\$1	153	Ch\$839/\$1	161	Ch\$944/\$1	157	Ch\$933/\$1	82

Interest Rate Risk

The sensitivity analysis below shows the impact of a movement in interest rates in relation to the financial instruments held as at December 31, 2024. The impact on profit or loss reflects the impact on annual interest expense in respect of the floating rate borrowings held as at the reporting date, and the

impact on annual interest income in respect of cash and cash equivalents held as at December 31, 2024. The calculation assumes that all other variables, such as currency rates, remain constant.

As at December 31, 2024, we are exposed to interest rate risk through the following financial instruments:

Floating Rate Borrowings	U.S. dollars (millions)
Senior Loans	(2,584.8)
Other Loans.....	(205.5)

If the interest rate increased by 1%, based on the financial instruments held as at the reporting date, profit attributable to the owners of the parent would have increased by \$12.9 million (2023: increase of \$5.1 million and 2022: decrease of \$3.3 million). This does not include the effect on the income statement of changes in the fair value of the Group's liquid investments relating to the underlying investments in fixed income instruments.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Borrowings and Other Financial Liabilities".

Accounting standards issued but not yet effective

The following accounting standards, interpretations and amendments have been issued by the IASB, but are not yet effective. None of these standards are expected to have a significant impact on the Group, except IFRS 18 which is expected to introduce changes in the presentation structure of the statement of comprehensive income by clearly separating operating, investing and financing activities.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements; and
- improve aggregation and disaggregation.

The Group is currently assessing the impact of IFRS 18 and the preliminary assessment indicates that the presentation of the net share of results from associates and joint ventures is expected to be shown within investing activities, rather than being part of operating profit or loss. Further changes upon the implementation of IFRS 18 may be required.

New Standards	Effective Date
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	No earlier than January 1, 2026
IFRS S2 Climate-related Disclosures	No earlier than January 1, 2026
IFRS 18 Presentation and Disclosures in Financial Statements	Annual periods beginning on or after January 1, 2027 (and subject to UK endorsements)
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after January 1, 2027 (and subject to UK endorsements)

Amendments to Existing Standards	Effective Date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026 (and subject to UK endorsements)
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026 (and subject to UK endorsements)

RESERVES AND RESOURCES

Introduction

The ore reserves and mineral resources estimates presented in this listing memorandum are stated as of December 31, 2024. These estimates comply with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition (the “JORC Code”) which has been used by us as minimum standard for the preparation and disclosure of the information contained herein. This standard differs from the mineral reserve disclosure requirements of the SEC set forth in subpart 1300 of Regulation S-K under the Securities Act. Consequently, there is no assurance that the reserve and resource information contained in this listing memorandum would be the same as those estimated in accordance with the rules of the SEC.

Our operations and projects are subject to a comprehensive program of audits aimed at providing assurance in respect of ore reserves and mineral resources estimates. The audits are conducted by suitably qualified Competent Persons (as defined in the JORC Code) from within a particular operation, another operation of our Group or from independent consultants.

The totals in the table may include some small apparent differences due to rounding. For a description of risks relating to reserves and reserve estimates, see “Risk Factors—Risks Relating to Our Business.”

Definitions and Categories of Ore Reserves and Mineral Resources

A ‘**Mineral Resource**’ is a concentration or occurrence of material of intrinsic economic interest in or on the Earth’s crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An ‘**Inferred Mineral Resource**’ is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.

An ‘**Indicated Mineral Resource**’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

A ‘**Measured Mineral Resource**’ is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity.

An ‘**Ore Reserve**’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on

modifying factors such as mining methods, metallurgical process and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A **‘Probable Ore Reserve’** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on modifying factors such as mining methods, metallurgical process and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A **‘Proved Ore Reserve’** is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include realistic consideration on modifying factors such as mining methods, metallurgical processes and economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Estimates

Ore reserve estimates

The following is a chart containing our ore reserve estimates as of December 31, 2024.

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Los Pelambres (see note (a))					
Proved	559.9	0.59	0.022	0.05	336.0
Probable.....	221.6	0.54	0.020	0.05	132.9
Total	<u>781.5</u>	<u>0.58</u>	<u>0.021</u>	<u>0.05</u>	<u>468.9</u>
Centinela (see note (b))					
<i>Centinela Concentrates (sulfides)</i>					
Proved	963.6	0.47	0.014	0.18	674.5
Probable.....	1,436.9	0.37	0.013	0.12	1,005.8
Subtotal	<u>2,400.6</u>	<u>0.41</u>	<u>0.013</u>	<u>0.14</u>	<u>1,680.4</u>
<i>Centinela Cathodes (oxides)</i>					
Proved	19.9	0.46	—	—	13.9
Probable.....	132.9	0.34	—	—	93.0
Subtotal	<u>152.7</u>	<u>0.35</u>	<u>—</u>	<u>—</u>	<u>106.9</u>
<i>Centinela Total</i>					
Proved	983.5	0.47	—	—	688.5
Probable.....	1,569.8	0.37	—	—	1,098.8
Total	<u>2,553.3</u>	<u>0.41</u>	<u>—</u>	<u>—</u>	<u>1,787.3</u>
Antucoya (see note (c))					
Proved	397.4	0.32	—	—	278.2
Probable.....	294.0	0.28	—	—	205.8
Total	<u>691.4</u>	<u>0.30</u>	<u>—</u>	<u>—</u>	<u>484.0</u>
Zaldívar (see note (m))					
Proved	218.2	0.44	—	—	109.1
Probable.....	132.8	0.41	—	—	66.4
Total Group Joint Venture.....	351.0	0.43	—	—	175.5
Total	<u>4,377.2</u>	<u>0.42</u>	<u>—</u>	<u>—</u>	<u>2,915.7</u>

Mineral resources estimates (including ore reserves)

The following is a chart containing our ore mineral resource estimates (including ore reserves) as of December 31, 2024.

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Los Pelambres (see note (a))					
Measured	1,170.5	0.56	0.020	0.05	702.3
Indicated	2,166.1	0.49	0.016	0.05	1,299.7
Measured + Indicated	3,336.7	0.51	0.017	0.05	2,002.0
Inferred	2,729.1	0.43	0.016	0.05	1,637.5
Total	<u>6,065.8</u>	<u>0.48</u>	<u>0.017</u>	<u>0.05</u>	<u>3,639.5</u>

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Centinela (see note (b))					
Centinela Concentrates (sulfides)					
Measured	970.9	0.47	0.014	0.18	679.7
Indicated	1,854.0	0.36	0.013	0.12	1,297.8
Measured + Indicated	2,825.0	0.40	0.013	0.14	1,977.5
Inferred	2,104.2	0.28	0.011	0.07	1,473.0
Subtotal	4,929.2	0.35	0.012	0.11	3,450.4
Centinela Cathodes (oxides)					
Measured	33.3	0.45	–	–	23.3
Indicated	209.1	0.31	–	–	146.4
Measured + Indicated	242.4	0.33	–	–	169.7
Inferred	13.7	0.30	–	–	9.6
Subtotal	256.2	0.33	–	–	179.3
Centinela Total					
Measured	1,004.2	0.47	–	–	703.0
Indicated	2,063.2	0.36	–	–	1,444.2
Measured + Indicated	3,067.4	0.39	–	–	2,147.2
Inferred	2,118.0	0.28	–	–	1,482.6
Total	5,185.4	0.35	–	–	3,629.8
Antucoya (see note (c))					
Measured	412.6	0.32	–	–	288.8
Indicated	354.4	0.28	–	–	248.1
Measured + Indicated	767.0	0.30	–	–	536.9
Inferred	280.9	0.25	–	–	196.7
Total	1,047.9	0.29	–	–	733.5
Polo Sur (see note (d))					
Oxides					
Measured	61.0	0.47	–	–	61.0
Indicated	45.4	0.37	–	–	45.4
Measured + Indicated	106.4	0.43	–	–	106.4
Inferred	6.5	0.34	–	–	6.5
Subtotal	112.9	0.42	–	–	112.9
Sulfides					
Measured	258.9	0.40	0.007	0.07	258.9
Indicated	676.9	0.33	0.007	0.05	676.6
Measured + Indicated	935.5	0.35	0.007	0.06	935.5
Inferred	673.4	0.27	0.006	0.04	673.4
Subtotal	1,608.9	0.32	0.006	0.05	1,608.9
Total	1,721.8	0.33	–	–	1,721.8
Penacho Blanco (see note (e))					
Oxides					
Measured	–	–	–	–	–
Indicated	–	–	–	–	–
Measured + Indicated	–	–	–	–	–
Inferred	18.3	0.29	–	–	9.3
Subtotal	18.3	0.29	–	–	9.3

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Sulfides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	541.2	0.34	—	0.05	276.0
Subtotal	541.2	0.34	—	0.05	276.0
Total	559.5	0.34	—	—	285.4
Mirador					
(see note (f))					
Oxides					
Measured	1.9	0.28	—	—	1.4
Indicated	25.5	0.27	—	—	19.5
Measured + Indicated	27.4	0.27	—	—	20.9
Inferred	17.5	0.25	—	—	14.1
Subtotal	44.9	0.26	—	—	35.0
Sulfides					
Measured	42.0	0.32	0.007	0.11	42.0
Indicated	28.9	0.27	0.008	0.07	28.9
Measured + Indicated	70.8	0.30	0.007	0.10	70.8
Inferred	12.7	0.24	0.009	0.04	12.7
Subtotal	83.5	0.29	0.008	0.09	83.5
Total	128.4	0.28	—	—	118.5
Los Volcanes					
(see note (g))					
Oxides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	30.8	0.31	—	—	15.7
Subtotal	30.8	0.31	—	—	15.7
Sulfides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	1,902.8	0.50	0.011	—	970.4
Subtotal	1,902.8	0.50	0.011	—	970.4
Total	1,933.6	0.49	—	—	986.1
Brujulina (see note (h))					
Oxides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	88.7	0.49	—	—	45.2
Total	88.7	0.49	—	—	45.2

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Sierra (see note (i))					
Oxides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	54.9	0.67	—	—	54.9
Total	54.9	0.67	—	—	54.9
Encierro (see note (j))					
Sulphides					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	522.3	0.65	0.007	0.22	323.3
Total	522.3	0.65	0.007	0.22	323.3

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Silver (g/tonne)	Attributable tonnage (millions of tonnes)
Cachorro (see note (k))					
Oxides					
Measured	—	—	—	—	—
Indicated	11.1	1.15	—	—	11.1
Measured + Indicated	11.1	1.15	—	—	11.1
Inferred	18.3	0.87	—	—	18.3
Subtotal	29.4	0.97	—	—	29.4
Sulfides					
Measured	—	—	—	—	—
Indicated	42.3	1.58	—	6.11	42.3
Measured + Indicated	42.3	1.58	—	6.11	42.3
Inferred	183.7	1.23	—	3.92	183.7
Subtotal	225.9	1.30	—	4.33	225.9
Total	255.3	1.26	—	—	255.3

	Tonnage (millions of tonnes)	Copper (%)	Nickel (%)	TPM (g/tonne Au+Pt+Pd)	Attributable tonnage (millions of tonnes)
Twin Metals (see note (l))					
Maturi					
Measured	291.4	0.63	0.20	0.57	224.6
Indicated	818.3	0.57	0.18	0.57	771.6
Measured + Indicated	1,109.7	0.59	0.19	0.57	996.1
Inferred	534.1	0.50	0.16	0.57	483.2
Subtotal	1,643.8	0.56	0.18	0.57	1,479.3

	Tonnage (millions of tonnes)	Copper (%)	Nickel (%)	TPM (g/tonne Au+Pt+Pd)	Attributable tonnage (millions of tonnes)
Birch Lake					
Measured	—	—	—	—	—
Indicated	90.4	0.52	0.16	0.87	63.3
Measured + Indicated	90.4	0.52	0.16	0.87	63.3
Inferred	217.0	0.46	0.15	0.64	151.9
Subtotal	307.4	0.48	0.15	0.70	215.2
Spruce Road					
Measured	—	—	—	—	—
Indicated	—	—	—	—	—
Measured + Indicated	—	—	—	—	—
Inferred	435.5	0.43	0.16	—	304.8
Subtotal	435.5	0.43	0.16	—	304.8
Maturi South West					
Measured	—	—	—	—	—
Indicated	93.1	0.48	0.17	0.31	65.2
Measured + Indicated	93.1	0.48	0.17	0.31	65.2
Inferred	29.3	0.43	0.15	0.26	20.5
Subtotal	122.4	0.47	0.17	0.30	85.7
Twin Metals Total					
Measured	291.4	0.63	0.20	0.57	224.6
Indicated	1,001.8	0.56	0.18	0.57	900.0
Measured + Indicated	1,293.2	0.57	0.18	0.57	1,124.6
Inferred	1,215.9	0.47	0.16	0.37	960.4
Total	2,509.1	0.52	0.17	0.47	2,085.0

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Group Subsidiaries					
Measured + Indicated	9,657.7	0.45	—	—	6,997.6
Inferred	10,415.0	0.42	—	—	6,880.7
Total	20,072.7	0.44	—	—	13,878.3
Zaldívar (see note (m))					
Oxides & Secondary Sulfides					
Measured	334.5	0.39	—	—	167.2
Indicated	307.9	0.33	—	—	154.0
Measured + Indicated	642.4	0.36	—	—	321.2
Inferred	8.5	0.24	—	—	4.3
Subtotal	650.9	0.36	—	—	325.5
Primary Sulfides					
Measured	145.2	0.40	—	—	72.6
Indicated	272.1	0.38	—	—	136.0
Measured + Indicated	417.3	0.39	—	—	208.6
Inferred	21.6	0.35	—	—	10.8
Subtotal	438.8	0.39	—	—	219.4

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Zaldívar Total					
Measured	479.7	0.39	–	–	239.9
Indicated	580.0	0.36	–	–	290.0
Measured + Indicated	1,059.7	0.37	–	–	529.8
Inferred	30.1	0.32	–	–	15.0
Total	1,089.8	0.37	–	–	544.9
Total Group					
Measured + Indicated	10,717.4	0.45	–	–	7,527.4
Inferred	10,445.1	0.42	–	–	6,895.7
Total Mineral Resources	21,162.4	0.43	–	–	14,423.1

Notes to Ore Reserves and Mineral Resources

The ore reserves mentioned above were determined considering specific copper cut-off grades for each mine and using long-term prices of \$3.80/lb (\$3.50/lb in 2023 and \$3.30/lb in 2022), \$14.00/lb molybdenum (\$13.00/lb in 2023 and 2022) and \$1,700/oz gold (\$1,600/oz in 2023 and 2022), unless otherwise noted. These same values have been used for copper equivalent (CuEq) estimates, where appropriate.

In order to ensure that the stated resources represent mineralization that has “reasonable prospects for eventual economic extraction” (JORC Code) the resources are enclosed within pit shells that were optimized based on measured, indicated and inferred resources and considering a copper price of \$4.40/lb (\$4.20/lb in 2023 and \$3.75/lb in 2022). Mineralization estimated outside these pit shells is not included in the resource figures.

Our policy on auditing of resource and reserve estimates is that prior to first publication, an independent external audit is done. External audits are also done on resources and reserves for any material changes (incorporation of a significant amount of drillhole information, for instance) or every three to five years, whichever comes first. All the resource models that support the resource and reserve estimates have been audited as per Group policy. All resource and reserve estimates have been found to comply with the JORC Code.

A) Los Pelambres

We own 60% of Los Pelambres. The cut-off grade applied to the determination of mineral resources is 0.30% copper, while the cut-off grade applied for ore reserves is variable over 0.35% copper. Ore Reserves decreased by 67 million tonnes due principally to depletion in 2024, which reflects the remaining capacity of the existing tailings dams, limiting the amount of mineral resource that can be converted into ore reserves. Mineral resources have decreased overall by a net 63 million tonnes in 2024, with depletion being the main factor.

B) Centinela (concentrates and cathodes)

We own 70% of Centinela, which consists of Centinela Concentrates (Esperanza, Esperanza Sur and Encuentro Sulphide) and Centinela Cathodes (Encuentro and Llano deposits, including the oxide portion of the Mirador deposit). The cut-off grade applied to the determination of ore reserves for Centinela Concentrates is 0.15% equivalent copper, with 0.15% copper used as a cut-off grade for mineral resources. The cut-off grades used at Centinela Cathodes are 0.20% copper for ore reserves and 0.15% copper for mineral resources.

Since 2024, Centinela ore reserves include a new pit, Encuentro Sulphides, which adds 738 million tonnes with 0.45% copper. This new pit is expected to feed ore to the Centinela Second Concentrator Plant, which was approved in December 2023 by the Board. Encuentro Sulphides is included in the Centinela long-term plan, and is expected to feed the new concentrator in combination with Esperanza Sur pit, which is currently being mined.

The Centinela Concentrates ore reserves have increased by a net 695 million tonnes, due mainly to the incorporation of new reserves from the Encuentro Sulphides pit. Centinela sulphides mineral resources increased by a net 195 million tonnes in 2024, due mainly to higher product prices and improvements in copper recovery. The Centinela Oxides ore reserves decreased by a net 61 million tonnes in 2024. The Centinela Cathodes ore reserves have decreased by a net 39 million tonnes, mainly due to depletion during the period and the exclusion of run-of-mine materials that have completed their leaching cycle. Centinela Cathodes ore reserves are made up of 127 million tonnes at 0.38% copper of heap leach ore and 26 million tonnes at 0.22% copper of ROM ore.

C) Antucoya

We own 70% of Antucoya. The ore reserve and mineral resources cut-off grade is 0.15% copper. Ore reserves have decreased by a net 35 million tonnes in 2024 due mainly to depletion. Mineral resources have decreased by a net 53 million tonnes in 2024, due mostly to depletion and modifications in the grade estimation approach.

D) Polo Sur

We own 100% of Polo Sur. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.20% copper. For 2024, the resource model has not been updated. Mineral resources have increased by a net 53 million tonnes due to the increase in metal prices.

E) Penacho Blanco

We own 51% of Penacho Blanco. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.20% copper. For 2024, the resource model has not been updated. The mineral resources have increased by a net 89 million tonnes in 2024 due to the increase in metal prices.

F) Mirador

We own 100% of Mirador. A portion of Mirador Oxides is subject to an agreement between the Group and Centinela, whereby Centinela has purchased the rights to mine the oxide ore reserves within an identified area. The mineral resources for Mirador Oxides subject to the agreement with Centinela are included in the Centinela Cathodes section. The resources not subject to the agreement are reported in this section, together with oxide resources available to Centinela under a sulphide mineral mine plan, 70% attributable to the Group. The cut-off grade applied to the determination of the mineral resources for oxides is 0.15% copper and for sulphides is 0.20% copper. The mineral resources have increased by a net 12 million tonnes in 2024 due to the increase in metal prices.

G) Los Volcanes

We own 51% of Los Volcanes. The cut-off grade applied to the determination of mineral resources is 0.20% copper. For 2024, the mineral resource model has not been updated. The mineral resources have increased by a net 0.45 million tonnes in 2024 due to the increase in metal prices.

H) Brujulina

We own 51% of Brujulina. The cut-off grade applied to the determination of mineral resources is 0.30% copper. For 2024, the mineral resource model has not been updated. The mineral resources have increased by a net 0.2 million tonnes in 2024 due to the increase in metal prices.

I) Sierra

We own 100% of Sierra. The cut-off grade applied to the determination of mineral resources is 0.30% copper. For 2024, the mineral resource model has not been updated. The mineral resources have increased by a net 0.2 million tonnes in 2024 due to the increase in metal prices.

J) Encierro

We own 61.9% of Encierro. For 2024, the mineral resource model has not been updated. Encierro's mineral resources are stated above cut-offs of 0.50% copper for sulphides. The mineral resources did not change during 2024.

K) Cachorro

We own 100% of Cachorro. The cut-off grade applied to the determination of mineral resources for both oxides and sulphides is 0.50% copper. The 2024 resource model has been updated including new drilling data, adding 54 drillholes for a total of 32,800 metres. Mineral resources have increased by a net 5 million tonnes in 2024, due to the resource model update. Resources have been defined as indicated and inferred material. Mineralisation estimated below a 0.5% copper cut-off is not included in the mineral resource figures.

L) Twin Metals Minnesota LLC

We own 100% of Twin Metals Minnesota LLC ("Twin Metals").

Twin Metals has a 70% interest in the Birch Lake Joint Venture ("BLJV"), which holds the Birch Lake, Spruce Road and Maturi Southwest deposits, as well as a portion of the main Maturi deposit. With these interests taken into consideration, Twin Metals owns 83.1% of the mineral resource. For 2024, the mineral resource model has not been updated.

The cut-off grade applied to the determination of mineral resources is 0.3% copper, which when combined with credits from nickel, platinum, palladium and gold, is deemed appropriate for an underground operation. In the mineral resource table 'TPM' (Total Precious Metals) refers to the sum of platinum, palladium and gold values in grammes per tonne. The TPM value of 0.57 g/tonne for the Maturi mineral resource estimate is made up of 0.15 g/tonne platinum, 0.34 g/tonne palladium and 0.08 g/tonne gold. The TPM value of 0.30 g/tonne for the Maturi Southwest mineral resource estimate is made up of 0.08 g/tonne platinum, 0.17 g/tonne palladium and 0.05 g/tonne gold. The TPM value of 0.70 g/tonne for the Birch Lake mineral resource estimate is made up of 0.19 g/tonne platinum, 0.41 g/tonne palladium and 0.10 g/tonne gold. The Spruce Road mineral resource estimate does not include TPM values as they were not assayed for TPMs.

In August 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. This action is currently pending. The PRLAs and federal mineral leases form a significant proportion of the

mineral resources contained within the Twin Metals' current project plan. If TMM is unsuccessful in having the decisions on the federal leases 1352 and 1353 and the PRLAs reversed, it will not have entitlement to the mineral resources associated with those mineral licenses.

M) Zaldívar

We own 50% of Zaldívar. Heap leaching (HL) and dump leaching (DL) materials are defined based on total copper cut-off grades. The cut-off grade applied to the determination of ore reserves for Heap Leach ore is 0.30% copper, while the cut-off grade for Dump Leach material is variable over 0.20% copper. Ore reserves have decreased by a net 2 million tonnes in 2024, due mainly to depletion, partially offset by the incorporation of Phase 15 new reserves. For mineral resources, the cut-off grade is 0.18% copper for HL and 0.10% copper for DL, throughout the life-of-mine period. The cut-off grade applied to the primary sulphide mineral resources is 0.3% copper. The mineral resources decreased by 58 million tonnes in 2024 because of the combined effects of depletion and adjustments to the geological model and grade estimation of primary mineralization.

In the southern part of the deposit (Phase 13), the final pit impacts a portion of the Minera Escondida mining property, for which there is an agreement for development. In parallel, agreements with third parties to relocate some infrastructure existing in the area are in progress.

Currently, Zaldívar is permitted to extract water and mine until May 2025, following the approval of the Declaration of Environmental Impact ("DIA") in early 2024 to align the permits for mining and water extraction. The mine life after 2025 is based on an EIA application which was filed in June 2023 to extend mining and water environmental permits. This EIA includes a proposal to develop the primary sulphide ore deposit and a conversion of the water source for Zaldívar to either sea water or water from third parties, following a transition period during which the current continental water extraction permit is extended. The current ore reserves estimate assumes that the requested permit will be extended to allow for the extraction of all of Zaldívar's ore reserves, through continuous operation of the mine without interruption. The details of the future permits or alternative water supply arrangements could lead to a review of and, eventually, an update to, Zaldívar's mine plan. See "Risk Factors—Risks Related to Our Business—Issues regarding the granting of permits, or amendments to permits already granted, and changes to the legal environment or regulations, could adversely affect our operations and development projects."

N) Antomin 2 and Antomin Investors

We have an approximately 51% interest in two indirect subsidiaries, Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own several copper exploration properties in Chile's Antofagasta Region and Coquimbo Region. These include, among others, Penacho Blanco, Los Volcanes and Brujulina. The remaining 49% of Antomin 2 and Antomin Investors is owned by Mineralinvest Establishment ("Mineralinvest"), a company controlled by E. Abaroa Foundation, in which members of the Luksic family are interested. See Note 34(c) to the 2024 Audited Financial Statements for further details.

INDUSTRY

Certain information provided in this listing memorandum has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading. All information in this listing memorandum attributed to “Wood Mackenzie” is sourced from the “Wood Mackenzie Global Copper Concentrates Strategic Planning Outlook – Q1 2025” report, dated March 2025.

Markets

Copper

Copper is one of the world’s most used metals and is a key component in a wide range of sectors, including electrical network, construction, industrial machinery, transport and consumer products. Copper applications are diverse and are present in daily life products ranging from mobile telephones to air conditioning, heating and electrical wiring for residential use.

Demand

Key Themes: Energy Security and Transition to Electrification

Given its high electrical conductivity, malleability and resistance to corrosion, copper is an essential component of electricity consumption. Rising demand for copper is driven by increasing electricity use (particularly of renewable energy) and desire for increased energy security and efficiency in energy use. These themes are evident in the following areas:

- *Electricity generation*, with increased copper use driven by both rising levels of power generation globally and an increasing reliance on renewable power. According to the World Resources Institute, renewable power is estimated to utilize more than six times more copper per megawatt than traditional forms of power generation.
- *Electricity transmission*, with copper critical in equipment such as transformers and substations.
- *Electricity end use*, with increased adoption rates of emerging technologies that are heavily dependent on copper, such as battery electric vehicles.
- *Electricity storage*, as economies aim to utilize renewable energy on a 24/7 basis.

Chinese Copper Demand

China remains the key market for refined copper. According to Wood Mackenzie, China accounted for over 55% of the world’s consumption in 2024 and imports more than five times the amount of the second largest importer, Japan. As the world’s largest copper consumer, any shift in the strength of China’s economy will have implications for the price of copper.

Historically, copper consumption in China has been dominated by the construction sector, which is estimated to represent around 30% of demand within China. The Chinese government continues to introduce measures to mitigate the effects of a slowing construction sector, following a period of oversupply in the housing market. A series of stimulus measures were announced in late 2024, including policies designed to release liquidity, lower mortgage rates and alleviate debt-related pressures on local government entities. It is expected that this approach will continue as the Chinese government manages

the risks related to its construction sector and any potential risks related to tariffs imposed by trading partners.

Despite headwinds facing the Chinese construction sector, copper markets have remained resilient in recent years. Wood Mackenzie expects Chinese copper demand to remain high, and forecasts demand for mined copper used for concentrate production to increase at 2.1% per annum, on average, over 2025 to 2035.

This implies rising demand from other growth sectors related to energy security and electrification, which is contributing to overall demand, with growth in the following areas within China in 2024:

- *Renewables*: According to the China National Energy Administration, as of mid-2024, renewable power provided more than half of total electricity generation capacity in China, with substantial year-on-year increases of 45% and 18% in installed solar and wind capacity, respectively.
- *Grid spending*: China's National Energy Administration reported a 15% increase in grid spending in 2024.
- *Battery-electric vehicles*: Sales of battery-electric vehicles continued to rise in China in 2024.

Global Copper Demand (excluding China)

According to the International Wrought Copper Council, North America and Europe represent approximately 15% and 10% of global copper demand, respectively. Future growth in demand in these regions is likely to be increased by policies designed to onshore manufacturing (in the case of the US) and the phased unveiling of the European Union's Carbon Border Adjustment Mechanism, which is a carbon tariff on carbon intensive products that began in late 2023. Global themes of energy security and electrification include:

- *Global electricity generation*: According to the International Energy Agency (the "IEA"), the global growth rate of global electricity generation increased to 4.3% in 2024 (from 2.5% in 2023), with this elevated level expected to continue until 2027. The IEA also forecasts a 95% increase in global renewable power supply by 2030 (versus 2023), with renewables and nuclear expected to meet all new global demand in the next three years.
- *Grid-scale batteries*: According to the IEA, US grid-scale battery capacity increased by 66% in 2024, with further growth expected in 2025.

Supply

The production of copper presents varying challenges depending on the maturity of a producing mine. With existing supply declining without major investment, increasing barriers to entry for development-stage projects and no new discoveries in recent years, global copper supply is expected to be increasingly sourced from existing copper mines and established jurisdictions. According to the IEA, the market share of the top three mining countries (Chile, Peru and the Democratic Republic of the Congo) is expected to increase from 47% in 2023 to 54% by 2040.

New mines: Increasing Barriers to Entry

Although technologies for recovering copper have improved in recent years and enabled the economic processing of increasingly lower grades, this requires greater processing capacity for mines to

become economically feasible through scale. The drawback is that increasing scale comes at a high up-front cost.

In addition, discoveries of new, large-scale copper deposits are becoming increasingly rare. An analysis by S&P Global Commodity Insights, which publishes an annual review of major copper discoveries, found that 2023 was the second successive year with no major discoveries. This compares to an average of 2.7 discoveries a year in the decade up to 2020 and 8.7 a year in the decade up to 2010.

Existing Supply: Grade Decline and Ore Hardness

Grade decline and ore hardness are common technical constraints that affect primary copper production as mining progresses to deeper sections of a copper deposit. Rising ore hardness results in increasing energy requirements to maintain existing production levels, with investments in greater processing capacity required as a result. Lower grades at depth are a second factor also requiring companies to increase processing capacity. Declining copper grades can be expected to affect copper mines as they progress through their mine lives.

Existing Supply: Increasing Disruption Rates

The global mining industry is facing increasing levels of regulation and scrutiny as rising demand and depletion of resources mean that mining now takes place in closer proximity to population centers. This, in turn, contributes to higher disruption risks and increased delays to project development timelines.

Wood Mackenzie applied a 5% disruption allowance to mine production for 2025 based on a 5-year rolling average of recorded disruptions, which reduces their expected copper in concentrate production for 2025. Wood Mackenzie expects copper in concentrate production to grow by 1.4% in 2025 to 19.5 Mt. With increasing reliance on existing major mines, disruption rates could increase further given this shift in market concentration.

Supply and demand fundamentals – pricing environment

The average copper price rose by 8% to \$4.15/lb in 2024, reflecting increasing supply-side restrictions and a gradual broadening of copper demand from a range of sectors. Copper markets briefly reached an all-time high in copper pricing in May 2024, driven by a tight supply of physical copper and financial market participants seeking to buy physical copper to cover short positions.

Gold

Demand for gold falls into four main categories: jewelry, investment (including bar and coin and ETFs and similar products), central bank purchases and other industrial applications like dentistry and electronics. According to the World Gold Council, gold jewelry represents the largest source of demand, and accounted for approximately 40% of total demand in 2024.

In terms of supply, gold originates from two main sources: global mine output and recycled supply. The gold supply chain is global, and gold is mined on all continents and refined into bars and coins in a variety of countries. According to the World Gold Council, total gold supply in 2024 increased 1% to 4,974 tonnes, driven by higher mine production and recycling supply.

The gold price is strongly correlated with inflation levels in the long run, although short term prices can be influenced by political and financial turmoil. Gold prices rose throughout 2024, beginning the year at \$2,078/oz and finishing the year at \$2,609/oz. This trend was driven by interest rate cuts by central banks, particularly the US Federal Reserve, perceptions around elevated market risks related to (a)

the ongoing conflict in the Middle East and (b) broader recession risks as governments attempt to reduce inflationary pressures, geopolitical tensions, and elevated central bank demand.

Molybdenum

Market prices for molybdenum remained stable in 2024, averaging \$21.30/lb for the year. The primary use of molybdenum is in the manufacturing of steel and other alloys, with molybdenum improving qualities such as strength, hardness and resistance to corrosion. The continuing growth of the global steel industry has provided consistent demand, and limited supply disruption in 2024 resulted in broadly stable prices throughout the year.

Molybdenum production comes mainly as a by-product of copper mining operations as well as primary mines, principally in the United States and China.

REGULATION

The following is a summary of the principal laws, rules and regulations applicable to mining activities in Chile.

Mining Regulations

Our exploration and mining activities are subject to Chilean laws and regulations which are generally applicable to all Chilean companies in the mining sector. The legal framework which regulates the mining concessions is contained in Chile's Constitution, the Constitutional Law Governing Mining Concessions (Law 18,097 of January 21, 1982) and the Mining Code (Law 18,248 of October 14, 1983) and Mining Code Regulation. Under Chilean mining law, the State of Chile is the owner of all mineral and fossil substances, regardless of who owns the surface land in which such substances are located. Private persons and companies may obtain mining concessions for exploration and exploitation. These concessions are granted by judicial resolutions in accordance with the Mining Code and are protected by property rights.

Mining concessions are transferable, mortgageable and irrevocable and regulated by the same civil law that regulates real estate rights generally. Generally, the owner of a mining concession may occupy as much of the surface land as is necessary for mining activities upon the creation of a mining easement or upon other authorization given by the land owner, such as a lease agreement. The right to impose mining easements over surface lands under certain conditions has a constitutional protection. Mining easements can be obtained by way of direct negotiation with the surface land owner or, if the latter opposes, by way of a summary procedure before the relevant court. Regardless of how the mining easement is obtained, the party granting the easement is entitled to monetary compensation should the mining activities and works cause damage to the surface. Exploitation concessions have an indefinite duration. Exploration concessions are granted for four years and may be extended once for a maximum of four additional years, by giving notice to the relevant authority during the first six months of the last year period of such exploration concession and complying with requirements of information in accordance with applicable law.

Owners of mining concessions must pay an annual fee equivalent to 3/50 of 1 U.T.M⁷ per hectare in the case of exploration concessions and 1/10 of 1 U.T.M to 4/10 of 1 U.T.M per hectare in the case of exploitation concessions depending if the concession is subject or not to a reduction according to the applicable law. The latter fees, within certain limits, may be credited to income taxes originated through the exploitation of the concession. Payments of the annual fees must be made in March of each year. Failure to make the annual fee payments may result in the loss of title to the concession through its auction.

Environmental Regulations

Our operations are subject to national, regional and local regulations as well as international treaties subscribed by the Government of Chile and enacted as Chilean domestic law regarding the protection of the environment, natural resources and the effect of the environment on human health and safety, including laws and regulations concerning water, air and noise pollution, the handling, disposal and transportation of hazardous waste and occupational health and safety.

The General Environmental Law (Law No. 19,300), enacted in March 1994 and modified by Law No. 20,417, enacted in 2010, establishes the general environmental legal framework in Chile, including the establishment of a range of environmental management mechanisms, for example SEIA, the Emission Standards and the Environmental Quality Standards, among others. Chilean environmental laws and regulations, and the enforcement thereof, have become increasingly stringent since 2010. Such amendments include, among other significant modifications, the creation of a new institutional framework comprised

⁷ As of September 2, 2025, 1 UTM is approximately \$72.

by: (i) the Ministry of the Environment (*Ministerio del Medio Ambiente*); (ii) the Council of Ministers for Sustainability and Climate Change (*Consejo de Ministros para la Sustentabilidad y Cambio Climático*); (iii) the Environmental Assessment Service (*Servicio de Evaluación Ambiental*) (“SEA”); (iv) the Bureau of the Environment (*Superintendencia del Medio Ambiente*) (“SMA”); and (v) the Environmental Courts, regulated in Law No. 20,600 (*Tribunales Ambientales*), each of which are in charge of designing, evaluating and enforcing laws and regulations relating to projects and activities that could have an environmental impact. These institutions are fully operational. Recent legal and regulatory changes are likely to impose additional restrictions or costs and also increased fines due to non-compliance with such laws and regulations, relating to environmental litigation and protection of the environment, particularly those related to flora and fauna, wildlife protected areas, water quality standards, mine closure, air emissions, and soil pollution. Since the Bureau of the Environment became fully operational on December 28, 2012, infringement of environmental regulations may result in fines of up to approximately \$8.7 million, the closure of facilities and the revocation of environmental approvals. As described in more detail below, we incur, and may be required in the future to incur, substantial capital and operating costs related to environmental compliance. However, many of these costs are inextricably intertwined with the operation of our business as a whole.

The General Environmental Law, as complemented by additional regulations, enables the State of Chile to: (i) bring administrative and judicial proceedings against companies that violate environmental laws, seeking compensations or reparation of the environmental damages; (ii) close non-complying facilities; (iii) revoke required operating licenses; (iv) require that companies to submit their projects for environmental evaluation as required by applicable law; (v) impose sanctions and fines when companies act negligently, recklessly or deliberately in connection with environmental matters; and (vi) enforce compliance of non-complying commitments. The General Environmental Law also grants the public the right to participate in environmental assessments and to bring civil actions against companies that are not in compliance with environmental laws and regulations when such companies have caused “environmental damage,” as defined in such law.

The General Environmental Law and its regulations contain certain rules on Environmental Impact Assessments (“EIA”) and provide that we must evaluate the environmental impact of any future project or activity listed in article 10 of Law 19,300 by means of an environmental impact declaration or an environmental impact study depending on the significance of the environmental impacts associated. We have conducted these environmental impact declarations and studies pursuant to the General Environmental Law.

Chile has adopted environmental regulations requiring companies operating in Chile to undertake programs to reduce, control and/or eliminate certain environmental impacts.

To protect and improve environmental air quality in the country, the Ministry of the Environment has the authority to declare certain areas to be “latent zones” (*zonas latentes*) or “saturated zones” (*zonas saturadas*). Upon such a declaration, these zones will be subject to increased regulation.

Chile enacted in 2011 Law No. 20,551 on Closure of Mining Sites and Facilities, compelling mining companies to prepare and present for authorization of SERNAGEOMIN, a “closure plan,” containing diverse technical measures and actions that should be implemented at the time of closing facilities and sites in order to prevent, minimize and control risks to the life and integrity of people, and mitigate the operational effects on the comprised environmental components, assuring their physical and chemical stability. This law includes health, safety and environmental requirements along with mandatory provisions that require financial guarantees. According to this law, all mining companies in Chile are required to submit an assessment of the closure expenses of all its mines to SERNAGEOMIN. These plans must be updated every five years and must consider the requirements set forth in the environmental

authorization issued for the respective facility, if any. SERNAGEOMIN has approved the closure plans that we have prepared for each of our mines.

Future legislative or regulatory developments, private causes of action or the discovery of new facts relating to environmental matters may impose new restrictions or result in additional costs that may have an adverse effect on our business, financial condition, results of operations or prospects.

Tax Regulations

The following is a general summary of applicable Chilean tax regulatory matters related to mining companies. This summary is not exhaustive and does not constitute tax advice.

Taxable income obtained by Chilean Mining companies is subject, as a general rule, to Corporate Income Tax at a rate of 27%.

Notwithstanding the foregoing, as of January 1, 2024, Law No. 21,591 has been enacted, introducing a specific tax on mining activities known as 'Mining Royalty' for mining operators (the "Mining Royalty Law"). A mining operator is considered to be any natural or legal person involved in the extraction and selling (selling is considered as any legal act with the purpose of or that may transfer the property of a mining product) of concessionable mineral substances in any current productive form.

The Mining Royalty comprises two components: the 'Ad Valorem Component,' which applies to copper mining operators with annual sales exceeding the equivalent of 50,000 metric tons of fine copper. This component is charged at a rate of 1% of the mining operator's annual copper sales, with no deductions (except for treatment and refining charges, according to Ruling 3/2024 issued by the Chilean IRS).

The second component is the 'Profitability Component' or the 'Component on Mining Margin' which applies to mining operators whose sales consists of more than 50% copper and exceeds the equivalent value of 50,000 metric tons of fine copper. This component is subject to a progressive tax rate ranging from 8% to 26% on the adjusted operational mining taxable income. The tax rates of this component correspond to effective rates, not marginal ones. The tax rate will be determined based on the Mining Operational Margin ("MOM") of the applicable financial year.

The MOM is defined as the resulting quotient obtained by dividing the adjusted operational mining taxable income by the taxpayer's operating income from the mining activity, multiplied by one hundred.

The Mining Royalty Law sets a maximum tax burden equivalent to 46.5% of the adjusted operational mining taxable income. To calculate the annual tax burden, the following sum should be made:

- a. Corporate Income Tax determined according to the Income Tax Law.
- b. An amount corresponding to final taxes such that, when added to the Corporate Income Tax referred to in letter (a) above, results in a tax burden of 35% on the corporate income tax base for the year.
- c. Both components of the Mining Royalty.

If the calculated tax burden exceeds the maximum limit (46.5%), the mining royalty will be reduced as is established in Law No. 21,591.

A Tax Invariance Agreement entered by the mining operator could result in the application of different tax rates from those previously mentioned.

Transport Regulations

Railway activity is a government function delegated or entrusted to individuals through concession decrees issued by the Chilean president, through which they are empowered or authorized to build and operate railways, with the rights and obligations established by law, and those determined by the concession decree. The state maintains the right to supervise and control the railways, primarily to oversee the correct operation and safety of rail transport, through the Department of Land Transportation of the Undersecretary of Transportation. The legal regime of public service railways is essentially contained in the General Railways Law of 1931 (Decree No. 1,157/1931) and in DFL 1/1993, organic law of the State Railways Company (*Empresa de Ferrocarriles del Estado*) (“EFE”), when it comes to EFE networks concessions. Existing private railways, such as our Transport division (which mainly operates its own network essentially dedicated to cargo), are primarily governed by the General Railways Law of 1931.

BUSINESS

Overview

We are a leading Chile-based international copper mining group that also has significant production of gold and molybdenum as by-products. We are incorporated under the laws of England and Wales and have been listed on the London Stock Exchange since 1888, and are a constituent of the FTSE 100 index, as well as the ESG focused FTSE4Good and Bloomberg ESG Data Index.

We engage primarily in the exploration, development and extraction of ores bearing copper and by-products, the processing of ore and the international sale of copper cathodes and copper concentrates. We operate four producing mines in Chile. We also engage in exploration activities in Chile and elsewhere in the Americas and own a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including some of our own operations.

The four mines we operate (Los Pelambres, Centinela, Antucoya, Zaldívar) are located in the Coquimbo and Antofagasta regions of Chile. As of December 31, 2024, these four operating mines had approximately 4,377.2 million tonnes of proven and probable ore reserves (including 100% of the proven and probable reserves at Zaldívar, of which we have a 50% ownership interest).

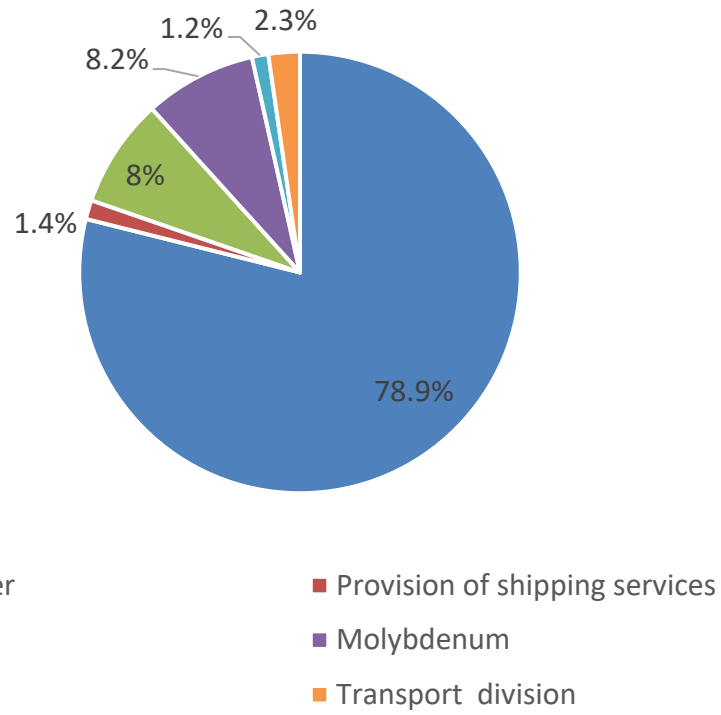
We believe the high quality of our core mining assets is one of our key strengths. Los Pelambres, a world-class copper mine, contains proven and probable ore reserves totaling 781.5 million tonnes as at December 31, 2024, and produced 319,600 tonnes of copper in 2024 and 143,200 tonnes of copper in the six-month period ended June 30, 2025. Centinela contains proven and probable ore reserves totaling 2,553.3 million tonnes as at December 31, 2024, and produced 223,800 tonnes of copper in 2024 and 116,200 tonnes of copper in the six-month period ended June 30, 2025. Antucoya contains proven and probable ore reserves totaling 691.4 million tonnes as at December 31, 2024, and produced 80,400 tonnes of copper in 2024 and 39,500 tonnes of copper in the six-month period ended June 30, 2025. Zaldívar, which is a joint venture with Barrick Gold Corporation which we operate and in which we hold a 50% interest, contains proven and probable ore reserves totaling 351.0 million tonnes as at December 31, 2024 (reflecting 100% of the proven and probable reserves at Zaldívar), and produced 40,100 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in 2024 and 16,000 tonnes of copper (on a 50% basis, reflecting our percentage of ownership) in the six-month period ended June 30, 2025.

Our main commercial products are copper concentrates (also containing gold and silver) and copper cathodes. We also produce and sell molybdenum concentrate. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, we derived 80.2% and 78.9%, respectively, of our total revenue from copper and 15.3% and 17.5%, respectively, of our total revenue from gold, molybdenum and silver by-product production.

In addition, we also hold significant transport assets in our Transport division, which is mainly focused on the transport of copper cathodes and concentrates from, and the transport of sulfuric acid to, the mining industry in the Antofagasta region of Chile, including our own operations. Total transport volumes in 2024 were 7.1 million tonnes which were broadly consistent with transport volumes in 2023. Total transport volumes in the six-month period ended June 30, 2025 were 3.1 million tonnes. In total, in 2024 the Transport division operated approximately 900 km of railroad and 80 locomotives.

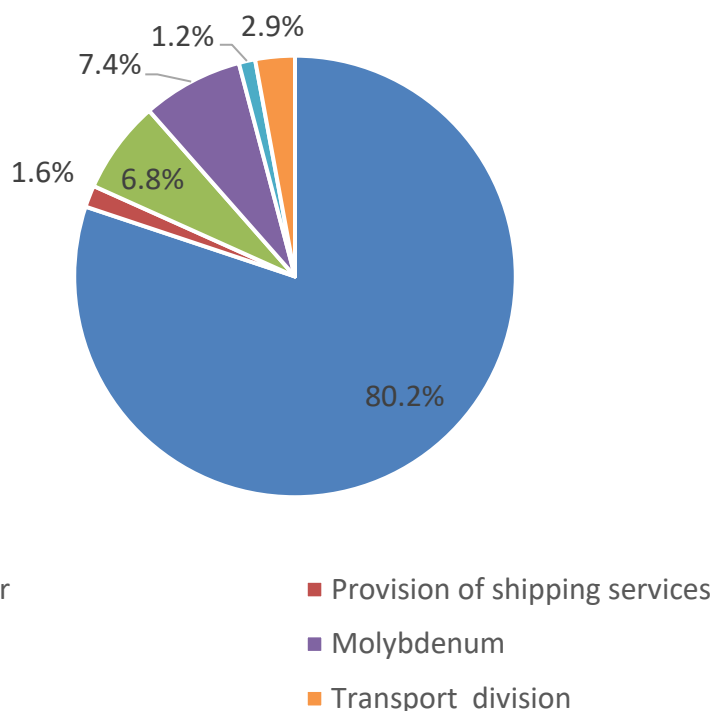
The chart below sets forth our revenue by product for the six-month period ended June 30, 2025:

1H25 Revenue by Product



The chart below sets forth our revenue by product for the year ended December 31, 2024:

2024 Revenue by Product



We strive for operating efficiency, creation of sustainable value, high profitability, and to be a preferred partner in the global mining industry. We are committed to our purpose of Developing Mining for a Better Future. Based on this approach, we adopted a strategic framework designed to underpin our long-term success. We built this framework around five pillars: disciplined growth, development of our people and culture, the safety and sustainability of our operations, innovation, and competitiveness. We have also put in place a clear set of near- and medium-term goals for the organization based on this framework.

We are focused on improving efficiency through debottlenecking and incremental plant expansions at our existing mines, as these projects often have lower capital expenditure requirements and generate higher returns than greenfield projects. We currently have two main brownfield expansion projects in various stages of progress at our existing operations, including the Second Concentrator Project at Centinela and the Los Pelambres Expansion.

At Centinela, full construction of the Second Concentrator Project commenced in 2024. The project includes the construction of a second concentrator and tailings deposit, approximately 7 km from the existing concentrator. Following completion of the initial phase of construction, the capacity of the new concentrator is expected to produce an annual average of 170,000 tonnes of copper-equivalent output, including 144,000 tonnes of copper, 130,000 ounces of gold and 3,500 tonnes of molybdenum a year over its first ten years of operation.

The project's estimated capital expenditure is \$4.0 billion, with approximately 60% of the funding coming from project finance lending facilities and the remaining 40% directly funded by Centinela's shareholders pro rata to their respective shareholdings. The estimate includes costs related to a concentrator plant, capitalized 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. First copper

production is targeted for 2027, with the mine life for the Centinela District extending to 2058. As at June 30, 2025, construction activities are progressing in line with expectations and on budget, including work on the camp facilities, ore delivery system, concentrator and tailings facility, and are over 50% complete.

Phase 1 of the Los Pelambres Expansion, involving the construction of a desalination plant and water pipeline with a capacity of 400 l/s and the expansion of the concentrator plant, was completed in 2023 with the desalination plant commencing full operations in March 2024. This expansion increased Los Pelambres' processing capacity to 190,000 tonnes of ore per day from 175,000 tonnes of ore per day. Through this expansion, Los Pelambres was able to increase ore throughput rates by 22% in 2024. In 2023, we received approval of a separate EIA in connection with the expansion of the desalination plant to 800 l/s and the construction of a new concentrate pipeline, improvements which are designed to enhance the resilience of Los Pelambres against the future impact of climate change and the deteriorating availability of water in the region, and provide a platform for Phase 2 of the Los Pelambres Expansion. The cost of the expansion of the desalination plant and the new concentrate pipeline is estimated to be \$2 billion, which is expected to be fully financed with debt. Construction work is underway, and is expected to last until 2027.

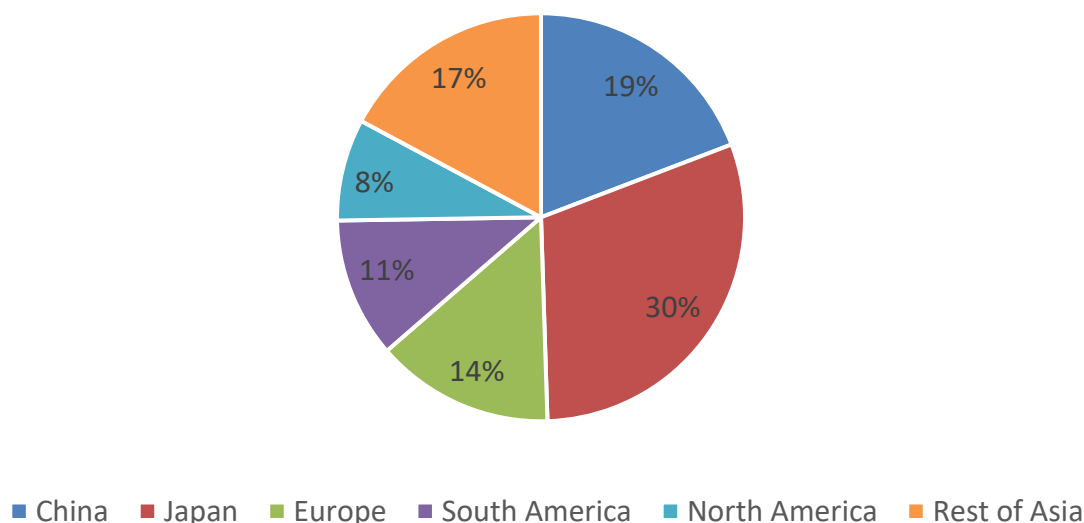
Phase 2 of the Los Pelambres Expansion involves increasing the capacity of the tailings storage facility, adding storage capacity for mine waste and providing the water requirement for the enlarged capacity of the Los Pelambres operation. The EIA for Phase 2 of the Los Pelambres Expansion was submitted in the fourth quarter of 2024. Phase 2 of the Los Pelambres Expansion is expected to extend the mine's life by at least 15 years by accessing a larger portion of Los Pelambres' six billion tonnes of mineral resources, and provides 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). Work on Phase 2 of the Los Pelambres Expansion is expected to commence after 2030.

We take a very disciplined and conservative approach to growth and have a long-term perspective, with exploration in Chile and internationally remaining a key part of the sustainable long-term growth of our copper business. In line with that approach, we own 19% of the outstanding shares of Buenaventura, Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.

The majority of our sales are to industrial customers across the globe who refine or further process the copper we produce—smelters, in the case of our copper concentrate production, and copper fabricators, in the case of our cathode production. For the year ended December 31, 2024 and the six-month period ended June 30, 2025, 71% and 66%, respectively, of our revenue was derived from customers located in Asia, with customers in Japan accounting for 30% of total revenue in each period. We also retain a small exposure to the spot market, which allows us to manage our shipments and provides us with live market feedback.

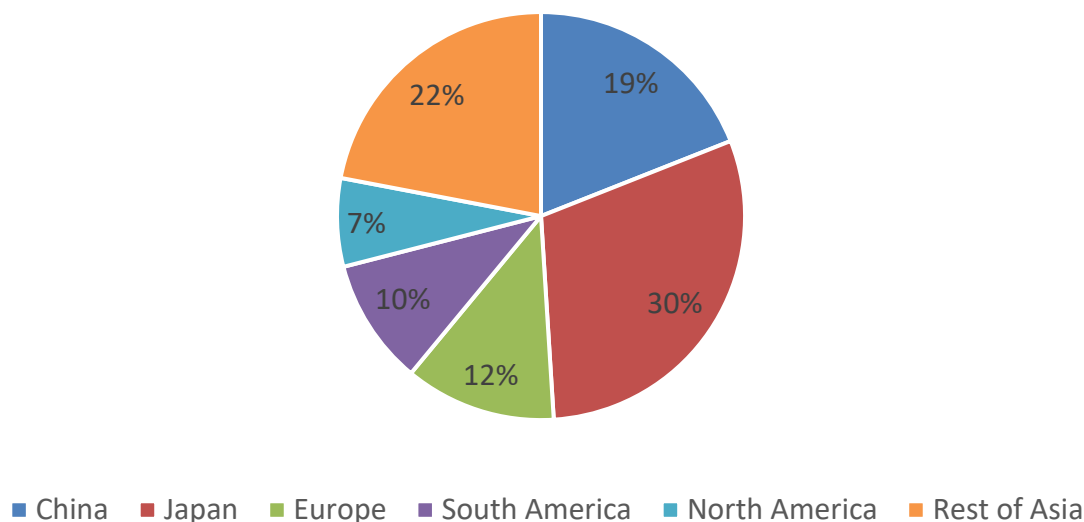
The chart below sets forth our revenue by location of customer for the six-month period ended June 30, 2025:

1H25 Revenue by Customer Geography



The chart below sets forth our revenue by location of customer for the year ended December 31, 2024:

2024 Revenue by Customer Geography



For the year ended December 31, 2024, and the six-month period ended June 30, 2025, we produced 664,000 and 314,900 tonnes of copper, respectively; 186,900 and 91,200 ounces of gold, respectively; and 10,700 and 7,400 tonnes of molybdenum, respectively.

For the year ended December 31, 2024 and the six-month period ended June 30, 2025, our consolidated revenue was \$6,613.4 million and \$3,799.4 million, respectively, profit for the year was

\$1,316.0 million and \$737.4 million, respectively, and EBITDA was \$3,426.8 million and \$2,234.2 million, respectively.

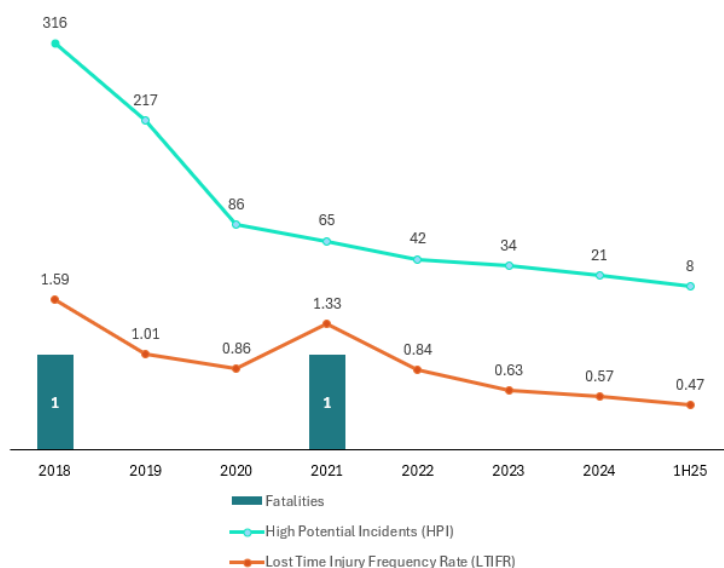
Key Production and Performance Metrics

The table below sets out our key production performance metrics, including the amount of total copper, gold and molybdenum ore produced by our operating mines and the volume of materials handled by our Transport division, for each of the years ended December 31, 2022, 2023 and 2024 and the six-month periods ended June 30, 2025 and 2024.

	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
Copper Cathode (thousands of tonnes) ..	221.9	197.6	102.0	49.4	35.8
Copper Concentrate (thousands of tonnes)	424.3	463.0	562.0	43.6	80.3
Gold (thousands of oz)	176.8	209.1	186.9	66.9	91.2
Molybdenum (thousands of tonnes)	9.7	11.0	10.7	5.2	7.4
Transport Volume (thousands of tonnes)	7.1	7.1	7.1	3.5	3.1
LTIFR (Number of accidents with lost time during the year per million hours worked)	0.84	0.63	0.57	0.67	0.47
Fatalities	0	0	0	0	0

The following chart shows certain key safety performance metrics, including the number of fatalities at our operations, the number of high potential incidents and our Lost Time Injury Frequency Rate (the number of injuries resulting in time lost from work during the period, per million hours worked, “LTIFR”).

Number of Fatalities and Lost Time Injury Frequency Rate (LTIFR)



The following table presents our revenue, profit for the year and EBITDA for the years ended December 31, 2022, 2023 and 2024 and the six-month periods ended June 30, 2025 and 2024.

Revenue, Profit for the Year and EBITDA					
	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Revenue.....	5,862.0	6,324.5	6,613.4	2,955.2	3,799.4
Profit for the year	1,955.3	1,299.4	1,316.0	413.1	791.9
EBITDA ⁽¹⁾	2,929.7	3,087.2	3,426.8	1,394.4	2,234.2

⁽¹⁾ EBITDA is a non-IFRS alternative performance measure that refers to Earnings Before Interest, Tax, Depreciation and Amortization, including 100% of the EBITDA from the Group's subsidiaries and the Group's proportionate share of the EBITDA of its associates and joint ventures. EBITDA is calculated by adding back depreciation, amortization, profit or loss on disposals and impairment charges or reversals to operating profit. 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 and equipment or the particular financing structure adopted by the business. See "Presentation of Financial and Certain Other Information" for a reconciliation of EBITDA to operating profit.

We have a track record of profitability underpinned by our low cash costs of production. The table below shows our net cash costs after by-product credits for the years ended December 31, 2022, 2023 and 2024 and the six-month periods ended June 30, 2025 and 2024.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(U.S. dollars per pound)				
Cash costs before by-product credits.....	2.19	2.31	2.37	2.65	2.32
By-product credits	(0.58)	(0.70)	(0.73)	(0.71)	(1.00)
Net Cash Costs⁽¹⁾	1.61	1.61	1.64	1.94	1.32

⁽¹⁾ Cash costs and net cash costs are non-IFRS alternative performance measures of the cost of operational production expressed in terms of cents per pound of payable copper produced. See "Presentation of Financial and Certain Other Information." Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs. For Los Pelambres and Centinela, cash costs are stated net of by-product credits and include treatment and refining charges for concentrates. Net cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.

The table below sets forth revenues from our mining division by product (excluding treatment and refining charges) for the years ended December 31, 2022, 2023 and 2024 and the six-month periods ended June 30, 2025 and 2024.

	Revenue by Product				
	Year Ended December 31,			Six-Month Period Ended	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Provision of shipping services ⁽¹⁾	123.1	97.8	102.7	45.4	52.2
Copper.....	4,782.3	5,049.6	5,302.6	2,377.6	2,998.3
Gold.....	313.8	406.9	446.8	140.8	304.4
Molybdenum.....	392.2	504.2	488.2	266.0	311.2
Silver.....	57.2	70.1	78.2	27.4	47.4
Total.....	5,668.6	6,128.6	6,418.5	2,955.2	3,799.4

⁽¹⁾ These prior year figures have been re-presented to separately analyze revenue from the sale of products and from the provision of shipping services.

Copper Market Fundamentals

Copper is an internationally traded commodity, with prices in effect established on terminal markets including the LME and COMEX. Copper prices are affected by numerous factors, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others and actions of participants in the commodities markets.

According to Wood Mackenzie, the main variables that drive the concentrate market start with global economic activity, which directly impacts end-use copper consumption (e.g., lower economic growth leads to less demand for wiring and tubing). In general, copper prices rise as metal stocks fall and vice-versa. Other factors, such as market sentiment, exchange rates and the involvement of investment funds, can also impact copper prices.

The price of copper was volatile in 2024. Copper was trading on the LME at \$3.82/lb at the beginning of 2024, but reached a record high of \$4.92/lb in May 2024 before falling to \$3.95/lb at the end of 2024. Copper demand, however, remained strong in 2024. In particular, according to Wood Mackenzie, China accounted for over 55% of the world's consumption in 2024 and imports more than five times the amount of the second largest importer, Japan. As the world's largest copper consumer, any shift in the strength of China's economy will have implications for the price of copper. China and the United States announced reciprocal tariffs in April 2025, though those tariffs have been paused until November 2025. In addition, on July 30, 2025, the United States also announced a 50% tariff on imports of semi-finished copper products and copper-intensive derivative products effective August 1, 2025.

Although copper was exempted from the tariffs imposed on goods imported into the United States in August 2025, the imposition of those tariffs has led to global economic uncertainty, which may affect the price of copper.

As of August 28, 2025, the LME price for copper was \$4.85 per pound.

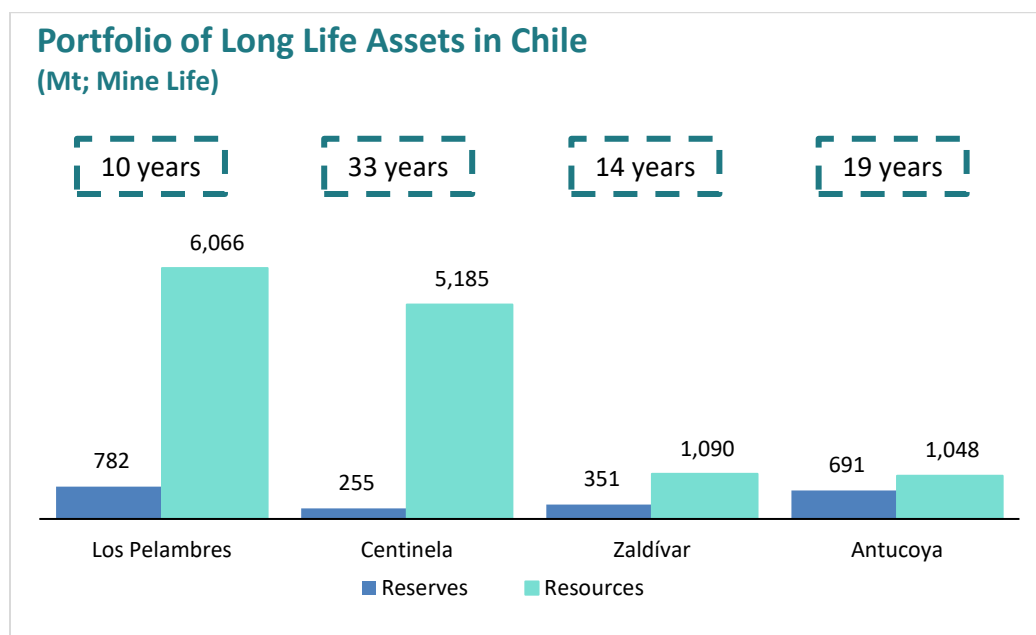
Our Strengths

We believe our competitive position as a leading mining company in Chile is supported by the following strengths:

Strong Core Mining Business with a Premium Copper Portfolio in an Established Mining Jurisdiction

Our mining assets are located in the Antofagasta and Coquimbo regions of Chile, an established mining jurisdiction. As of August 28, 2025, Chile's long-term foreign currency sovereign ratings are A2 from Moody's, A from S&P and A- from Fitch. In 2024, Chile was the largest producer of copper in the world and ranked first in reserves according to the U.S. Geological Survey, Mineral Commodity Summaries. Our mining operations have large resource bases; as of December 31, 2024, the four mines we operate had approximately 4,377.2 million tonnes of proven and probable ore reserves in total (including 100% of the proven and probable reserves at Zaldívar) with an average mine life of approximately 19 years. As at December 31, 2024, Los Pelambres contains 781.5 million tonnes in proven and probable ore reserves. Likewise, Centinela contains 2,553.3 million tonnes, Antucoya contains 691.4 million tonnes, and Zaldívar contains 351.0 million tonnes in proven and probable ore reserves (reflecting 100% of the proven and probable reserves at Zaldívar). The long life of these assets increases the likelihood of a mine being able to benefit from the peaks in the commodity price cycle while withstanding the troughs.

The chart below shows the remaining life of mine, reserves and resources of our operating mines as of December 31, 2024.^{(1),(2)}



⁽¹⁾ Figures reported on a 100% basis, Mine Life considers reserves.

⁽²⁾ Resources are reported inclusive of reserves 2024.

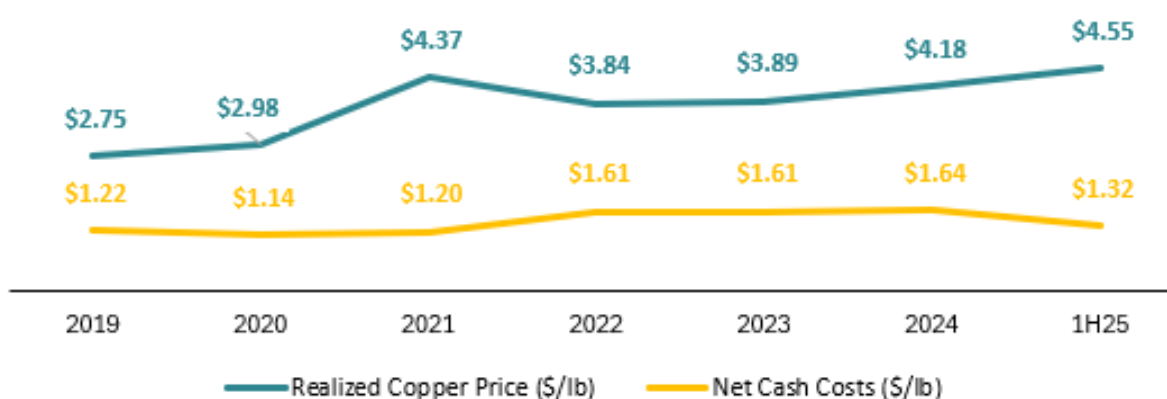
The remaining mine life, reserves and resources set forth in the chart above are based on the operating conditions of the mines as of December 31, 2024. We have undertaken, or are in the process of evaluating, new projects with the goal of increasing the mine life of certain of our operating mines, including the Los Pelambres Expansion, which is expected to extend the mine life of Los Pelambres to

2051. For further information on our ongoing construction projects, see “*Business—Projects Under Construction*” and “*—Projects Under Evaluation*”.

We are poised to improve our position on the copper cash cost curve. During 2024, net cash costs per pound of \$1.64 were 3c/lb higher than 2023, reflecting lower copper grades at Los Pelambres partially offset by stronger by-product credits. In the six-month period ended June 30, 2025, net cash costs per pound of \$1.32 were 62c/lb lower than the six-month period ended June 30, 2024.

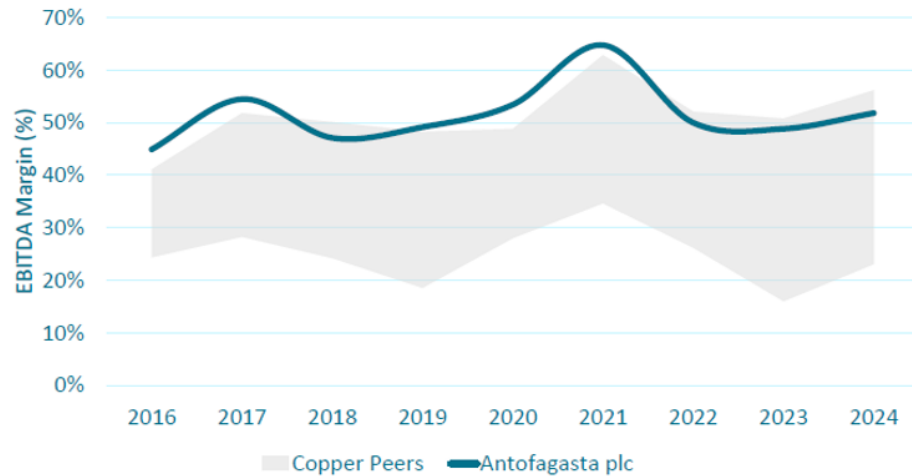
With the completion of Phase 1 of the Los Pelambres Expansion in 2023 and works underway to expand the desalination plant to 800 l/s, we expect costs related to water scarcity at Los Pelambres to decrease in the future. In addition, we expect the Second Concentrator Project to improve Centinela’s competitiveness on the global cash cost curve through an increased focus on concentrator capacity that incorporates modern technologies, increased by-products and greater economies of scale. Together, we expect these projects to have a positive impact on our position on the copper cash cost curve going forward.

Net Cash Cost & Average Realized Copper Price¹



- (1) Cash cost included is net of by-product revenue. Realized copper price is the effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.

The tables below show our EBITDA Margins relative to our peers.



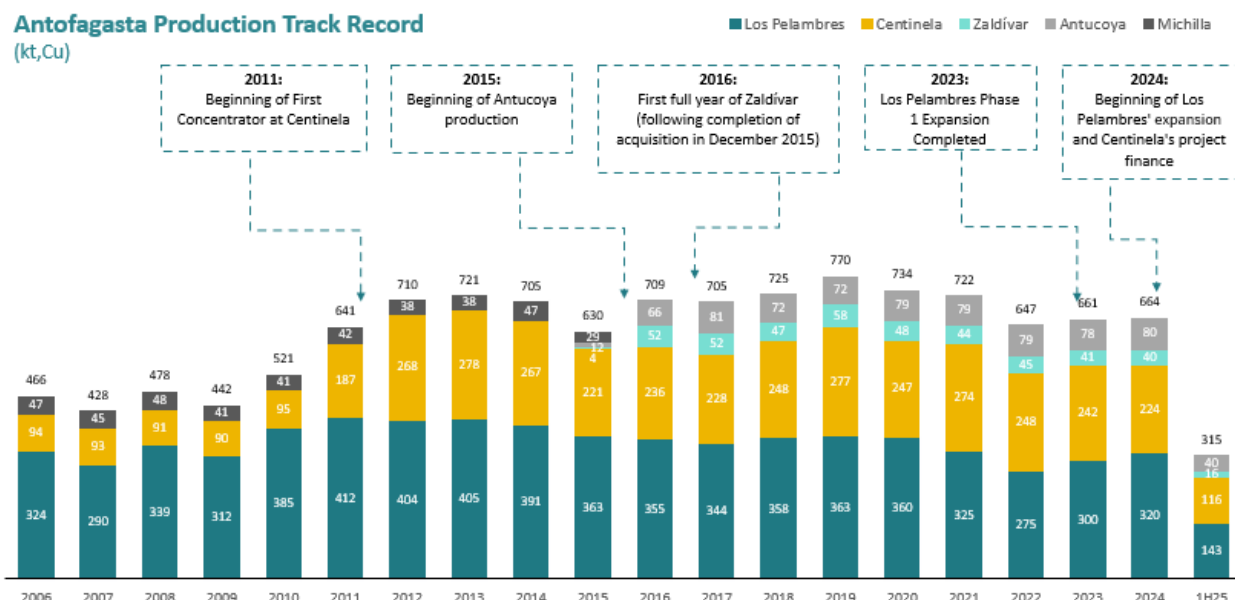
Safety First: A Robust and Proactive Safety Culture

The health and safety of our employees is our first priority. Our Occupational Health and Safety Strategy is based on four pillars: occupational health and safety risk management; reporting, investigating and learning from our accidents; leadership; and contractor management. We strive to eliminate dangerous workplace conditions and behaviors with the goal of zero fatalities, zero occupational illnesses, and the development of a resilient culture and the automation of hazardous processes. We have undertaken intensive safety awareness campaigns with highly visible leadership from senior management, including monthly dedicated site visits by our chief executive officer or other key management personnel. Our leadership teams strive to share lessons learned across our operations and promote operational discipline in furtherance of our commitment to safety. We measure our overall safety performance with two main indicators: high-potential incidents (“HPIs”) and Lost Time Injury Frequency Rate (“LTIFR”). In the six-month period ended June 30, 2025, the Group recorded 8 HPIs, compared to 13 in the six-month period ended June 30, 2024, with the corresponding incidence rate for HPIs decreasing to 0.04 during the period (six-month period ended June 30, 2024: 0.08). In 2024, the Group recorded 21 HPIs, including zero HPIs at Zaldívar. In the six-month period ended June 30, 2025, our LTIFR decreased to 0.47 per million hours worked from 0.67 per million hours worked in the six-month period ended June 30, 2024, and in 2024, as compared to 2023, our LTIFR decreased by 10% to 0.57 per million hours worked as we continue to embed a safety-first culture, with improvements in leading and lagging indicators of safety. To emphasize and incentivize safety, we tie senior management and employee compensation to these safety metrics and safety performance.

Operational Discipline: Track Record of Delivering Sustainable Production

We are a leading copper producer with a demonstrated ability to successfully operate mines in Chile and consistently achieve production targets. Over the last decade, we have been able to sustain annual production levels despite significant volatility in metal prices and the impact of the ever-changing global political and economic environments. In the last 18 years, we have been able to increase our total copper production by over 40%, going from 466,000 tonnes in 2006 to 664,000 tonnes in 2024. We believe that our long-dated experience in the industry as a best-in-class operator, supported by our cost-efficient and environmentally and socially responsible business model will allow us to benefit from the anticipated increase in copper demand in the medium and long term and continue capitalizing on the currently strong market fundamentals and our competitive position in the market.

The table below sets out our production track record for the periods indicated.



Cost Control Through Business Improvements

The global copper industry is a competitive landscape, with geological factors and inflation creating upward pressure on operating and capital costs, which in turn creates the need for continuous improvement and innovation. We have historically channeled our efforts to control and reduce costs through our Cost and Competitiveness Program, which began in 2015.

In 2024, we launched a new approach to managing this area, which was linked to the adoption of a revised Operational Excellence Management System (OEMS), with this new workstream known as the Competitiveness Program. Through the Competitiveness Program, we aim to competitively position ourselves on the global cash cost curve through a series of savings and efficiencies.

Since the inception of the above initiatives, these programs have delivered more than \$1.0 billion of savings and efficiencies, helping to support the Group's competitiveness in the global copper industry.

The OEMS is designed to help the Group achieve its full potential through the establishment of three common goals: (1) clear Key Performance Indicators (KPIs) and objectives, (2) the creation of appropriate forums to discuss and enhance performance and (3) a clear pathway for achieving success. Continually improving and developing team performance enables teams to further enhance and improve their KPIs and objectives for further gains.

Total benefits of \$248 million were delivered in 2024, surpassing the target of \$200 million of combined savings and productivity improvements in the program's first year, which was an ambitious target after the Cost and Competitiveness Program delivered \$135 million of benefits in 2023 and \$124 million in 2022. Relative to the total cost base of each mine, Antucoya delivered the highest proportional saving in 2024, which related to a reduction in key consumable usage, particularly sulphuric acid. In the six-month period ended June 30, 2025, the Program achieved benefits of \$60.3 million in the mining division, of which \$33.8 million reflected the value of productivity improvements and \$26.5 million reflected cost savings. Of the \$26.5 million of cost savings, \$26.2 million related to Los Pelambres, Centinela and Antucoya, and \$0.3 million related to Zaldívar (on a 100% basis).

Financial Discipline: Balance Sheet Management Facilitated by Disciplined Capital Allocation

Maintaining a strong balance sheet is one of our key focuses. We have implemented a strong capital allocation model, which focuses on sustaining capital expenditure and investing in mine development to maintain our processing plants' and mines' ability to deliver value. Consequently, we allocate capital to growth projects that generate returns consistent with our investment criteria, or alternatively we return excess capital in the form of a higher final dividend. This model is fundamental in making all of our financial decisions. Further, according to our dividend policy, we expect to pay a minimum dividend of 35% of underlying net earnings.

We have a proven track record of operational efficiency and project development execution—for example, three of our mines were developed by us. We have successfully executed several development and portfolio optimization projects in Chile, which have allowed us to improve the operational efficiency and copper production in our operations. Our focus on debottlenecking and incremental plant expansions at our existing mines to improve efficiency is key to our strategy, as these projects often have lower capital expenditure requirements and generate higher returns than greenfield projects.

We have a portfolio of organic growth projects with two brownfield expansion projects in various stages of progress at our existing operations, including the Los Pelambres Expansion and the Centinela Second Concentrator Project. We believe our disciplined approach to capital spending allows us better to weather downturns in the copper markets and positions us to succeed when markets recover.

Historically, we have been able to generate cash flow well in excess of our capital expenditure and consequently, we have been able to maintain low levels of debt. During the fiscal year ended December 31, 2024 and the six-month period ended June 30, 2025, we generated \$2,285.3 million and \$1,153.8 million, respectively, in net cash from operating activities, and invested \$2,414.9 million and \$1,620.4 million, respectively, in capital expenditure. As at June 30, 2025, we held \$2,600.9 million of cash and cash equivalents and \$1,976.8 million of liquid investments. We have been able to maintain a strong EBITDA Margin despite copper price volatility, and for the year ended December 31, 2024 and the six-month period ended June 30, 2025, our EBITDA Margin was 52% and 59%, respectively. Despite the capital-intensive nature of our business, we have been able to carry out our capital expenditure plans and increase our copper production while maintaining a low leverage profile and a large liquidity position.

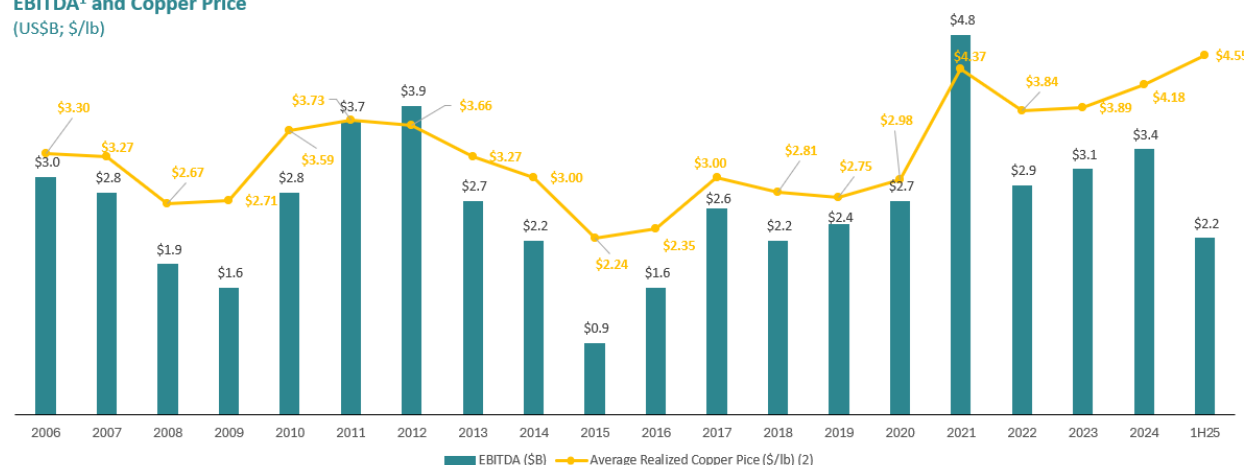
Cash Flow Generation Through the Commodity Cycle

We believe that the combination of a competitive and flexible cost structure and a strong financial position with modest leverage is key to supporting our business for the long term. Our financial policies promote a healthy balance sheet and underpin a business model that favors low leverage and enables the maintenance of strong cash flow generation, even amidst volatile market conditions in the metals market. The resilience of our balance sheet has been tested by the global financial crisis of 2008-2009, during the commodity price sell-off of 2015-2016, the COVID-19 pandemic and most recently by the imposition of tariffs on goods imported into the United States in 2025. We have historically maintained large cash balances and low levels of indebtedness, which has allowed us to maintain a long track record of profitability and consistent cash flow generation through the commodity cycle. Our cost-efficient operations coupled with our conservative financial profile have allowed us to successfully navigate prior volatile periods. We maintain strong banking relationships in the markets in which we operate and have maintained ready access to the bank loan market and the debt and equity capital markets. In recent years, we have

completed several medium-term financing transactions, including asset-level financings. In March 2025, Los Pelambres completed a \$2 billion financing associated with its water assets.

EBITDA¹ and Copper Price

(US\$B; \$/lb)



- (1) Results of continuing operations only. EBITDA includes the proportional share of EBITDA from associates and joint ventures, including Zaldivar. EBITDA figures for 2006 through 2016 have not been adjusted to reflect the adoption of new accounting standards. This may have an impact on the comparability of EBITDA for such periods with EBITDA for the subsequent fiscal years, including those ended December 31, 2022, 2023 and 2024 and the six-month period ended June 30, 2025.
- (2) Realized copper price is the effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.

Commitment to Environmental, Social and Governance Excellence

We are dedicated to improving the sustainability of our operations; respect for the environment and active engagement with local communities are fundamental to our business. We maintain certifications from, and memberships in, key organizations championing ESG initiatives; additionally, we are currently included in the FTSE4Good and Bloomberg ESG Data Index. According to S&P Global, we are currently ranked 5th in the metals and mining industry in their Sustainability Yearbook for 2024. In addition, we are ranked in the top 10% in diversified metals in Sustainalytics ranking of ESG ratings in 2024.

We are also focused on reducing our carbon emissions. In line with the objectives of the Paris Agreement, we aim to (i) reduce our Greenhouse Gas (GHG) emissions in the short- and medium-term, (ii) achieve carbon neutrality in Scope 1 & 2 emissions by 2050 (or sooner, if technology allows), (iii) reduce Scope 1 and 2 emissions by 50% by 2035, using 2020 as a baseline, and (iv) reduce Scope 3 emissions by 10% by 2030, against the “no actions” scenario using 2022 as a baseline. Since 2019, we have been implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and aligning our metrics and targets with the TCFD’s seven cross-industry climate-related metric categories, including GHG emissions and internal carbon prices. We give special priority to the potential financial impact of the transition and the physical risks involved, as well as to mitigation and adaptation measures, such as the opening of a desalination plant at Los Pelambres, which has become the first mining operation in central Chile to use sea water. Our holistic approach to decarbonization involves both our mining site operational teams and our corporate teams, who together deploy measures that aim to reduce GHG emissions from our productive processes. Given the importance and relevance of our decarbonization approach, in July 2023 we created the Decarbonization Project Management area within the Vice Presidency of Strategy and Innovation. In accordance with our Energy Policy framework, implemented in

2022, we have incorporated the role of Energy Administrator at each mining site. The role consists of leading and ensuring the implementation and improvement of the Energy Management System according to Chilean Law No. 21,305 on Energy Efficiency. In addition, Energy Administrators supervise the achievement of decarbonization and energy targets through energy efficiency plans and GHG reduction. Since April 2022, all our mining operations have operated exclusively under renewable energy power supply contracts, reducing our Scope 2 emissions to nearly zero.

We have worked with the Communication and Supply teams to incorporate suppliers into our decarbonization target (Scope 3) with the aim of formulating a joint emissions mitigation plan. Carbon emission indicators are incorporated into our large project decisions, thus integrating the entire organization into our decarbonization plan. We conduct thorough analyses to establish whether a given purchase may have a positive or negative impact on our path to decarbonization or in relation to bank credits. Decarbonization initiatives are becoming an increasingly relevant aspect of financial evaluation packages. We strive to reduce our carbon footprint and, as part of these efforts, have worked with equipment manufacturers to incorporate technology solutions within the Group, targeting a reduction in our direct emissions, and within Scope 3 to include sustainability and carbon footprint reduction in our suppliers' processes.

In March 2024, we published our Climate Action Plan, which detailed our path to decarbonization. The plan is designed to be flexible and adaptable, recognizing that it is an evolving framework rather than a finalized course of action. While the plan currently prioritizes electrification as the most probable path, we maintain a technology-neutral stance considering that one solution might not fit all processes and operations, we remain open to integrating various economically efficient technologies and regularly update the plan to reflect market advancements.

With the introduction of the Centinela Second Concentrator Project, which is expected to commence operations in 2027, we anticipate an initial rise in absolute emissions. However, the ongoing adoption of modern, low-carbon technologies is expected to lead to a reduction in absolute emissions over time, even as copper production increases.

To achieve the Group's Scope 1 and 2 emissions reduction targets, we expect to gradually deploy innovation and modern technology throughout each operation, as technologies develop and become commercially viable. Two specific technologies are under consideration for reducing diesel consumption. The first is a transition to trolley-assist technology for haul trucks, with a pre-feasibility study underway to validate the overall benefits of this technology, and to assess its operating costs and additional operational factors such as changes to existing mine designs. The second is a potential pivot to battery technology across the Group's fleet of haul trucks, with a transition timeframe dependent on the availability of charging solutions (dynamic and stationary) at a competitive cost. To date, we have adopted, or are trialling, a range of modern technologies to reduce emissions, principally focusing on diesel consumption, including:

- the adoption of autonomous mining equipment at Centinela, which is expected to deliver long-term efficiency savings in fuel consumption and productivity;
- a trial of trolley-assist technology at Los Pelambres, with test work commencing in 2025;
- battery-electric buses for transporting our workforce, together with electric light vehicles and ancillary mining equipment; and
- the trial of hydrogen use in our Transport division, with the delivery of South America's first hydrogen locomotive in 2024.

As part of our commitment to local communities, we implemented a Social Management Model at our four mining operations. It serves as a vehicle through which to apply common engagement principles, methodologies and practices across our operations, measure impacts and manage risks. Our engagement with local stakeholders is based on the principles of dialogue, collaboration, traceability, excellence and transparency. In the year ended December 31, 2024, we invested \$49 million on social projects near our operations.

As part of our commitment to mitigating and adapting to climate change, in the six-month period ended June 30, 2025 and the year ended December 31, 2024, sea water accounted for 63% and 58%, respectively, of our Mining division's operational water withdrawals. In 2024, water reuse and recycling rates at our mining operations averaged 83% for the division. Such water reuse and recycling rates average is high compared to the average for Chile's copper mining industry, which reached approximately 74% in 2022, according to the Chilean Copper Commission.

We are committed to demonstrating how our strategies, policies and targets are supported by concrete actions and how we measure the impact of these activities. As part of this process, we complement our regular Sustainability Reports with reporting under the Task Force on Climate-related Financial Disclosure framework, which provides an extra level of disclosure.

Experienced Management with Deep Bench Strength

Our experienced management team is critical to maintaining our current operations, implementing development projects and achieving long-term growth without major disruption. Our Employee Performance Management System is designed to attract and retain key employees by creating suitable reward and remuneration structures and providing personal development opportunities. We have a talent management system to identify and develop internal candidates for key management positions, as well as identifying suitable external candidates where appropriate.

Our Strategy

We intend to maintain our position as one of the world's largest copper producers and increase our production. There are five key elements of our strategy:

Develop Our People and Culture

Our goal is to create and nurture a working environment that incorporates new ways of thinking, with innovation at the forefront, to tackle current and future challenges. We strive to inspire people to tackle more complex and dynamic problems, and to develop new management approaches to solve them. The demands of today's and tomorrow's adaptive challenges require us to collaborate and excel while developing new skills. We aim to truly understand what our people value, to treat them fairly, and to engage and inspire them based on their personal motivations and unique qualities as individuals. This is a challenge that requires us to change the understanding of the traditional employment relationships within the Company. We will continue to drive forward our cultural transformation, promoting the organization as a safe and supportive space that actively listens, empathizes, connects and builds strong relationships with our people.

Safety and Sustainability as Cornerstone of Our Business Model

We aim to create value and growth throughout the mining lifecycle, from exploration to mine closure. Our goal is to be a company known for its ethical and transparent conduct, respectful of human rights and the law. To achieve this, we are determined to continue to develop a comprehensive and long-term commitment to all of our stakeholders, particularly our workers and the communities in which we operate. We align ourselves with the UN Sustainable Development Goals (SDG), developing responsible mining practices that are certified by the Copper Mark and ICMM's Performance Expectations. We prioritize the efficient use of renewable natural resources and the reduction of our greenhouse gas (GHG) emissions by using sea water and energy from cleaner sources. All of this is done while focusing on the occupational health and safety of all our employees and contractors. We do this through the active leadership of our workers, who by their responsible behavior and proactive management of risks and critical controls work to provide a safe and healthy working environment for all.

The key elements of our sustainability framework include our Climate Change Strategy (including targets and metrics for water consumption and CO₂ emissions) in conjunction with adopting the principles of the Task Force on Climate-Related Financial Disclosures, tying management compensation plans to safety, people, environmental and social performance outcomes and compiling an annual, externally-assured sustainability report in accordance with Global Reporting Initiative Standards. Our sustainability efforts are well-documented in the industry: we were included in the 2024 S&P Global Sustainability Yearbook, we are a member of the International Council on Mining and Metals (an association of the world's largest mining companies that promotes sustainable mining, develops standards and encourages its members to adopt best practices, "ICMM"), we publicly disclose our Climate Change and Water Management initiatives through the Carbon Disclosure Project ("CDP"), our Sustainability Report, Climate Change reports and Climate Action Plan and we are a signatory to the United Nations Global Compact. These efforts have been rated by MSCI, Sustainalytics, S&P Global and the CDP.

Enhance Competitiveness by Increasing Productivity with a Focus on Operating Excellence

Competitiveness is essential as it ensures resilience and makes the business viable. By producing copper efficiently we are able to grow and contribute to the development of mining while promoting the energy transition. We aim to maintain our strong financial position through efficient capital allocation, the proper execution of our projects and the renewal of our asset portfolio, allowing us to continue operating and growing as we address increasingly complex challenges. We strive to be one of the most cost-

competitive companies in the industry, and towards that end, we are dedicated to achieving excellence in our work and seeking new and efficient ways to manage our operations. Additionally, we are undergoing a process of operational transformation that allows us to integrate technology and innovation, utilize data analytics and promote efficient resource management by strengthening key operational processes that we believe will enable us to achieve the full potential of our assets' performance.

Disciplined Growth

Growth enables us to maintain our viability and fulfil our purpose. It allows us to realize the full potential of our resources and assets, creating additional value and diversifying risk. To accomplish this, we aim to: (1) expand and increase the Group's production capabilities by building projects such as Los Pelambres Expansion and the Centinela Second Concentrator Project and (2) increase our mineral resource base through the exploration for new resources and/or the development of new ore deposits. Our strategy for growth beyond our existing operations is focused on producing copper and its by-products in the Americas (particularly Chile, Peru, the United States and Canada), a region that is highly attractive due to its geological potential, mining activity, relative proximity to our existing portfolio of operating assets, political and administrative similarities, culture and language.

Innovation

We aim to create new ways of operating and using existing technology more effectively, incorporating our own and others' learning to improve performance. We further aim to discover new ways of advancing our operations through the early adoption of modern technology. With our experience we are convinced that we can contribute to the development of new solutions, such as Cuprochlor®-T, integrated remote operations centres (IROCs), autonomous haulage and drilling, advanced analytics and data management for decision-making, robotics for tailings and water management, decarbonization of our processes and dust suppression. Our Innovation Roadmap serves as a guide for the Group to achieve our operational vision for the future. This allows our operations to become smart, integrated and sustainable, optimizing the use of strategic resources such as water and energy.

Recent Developments

Interim Dividend

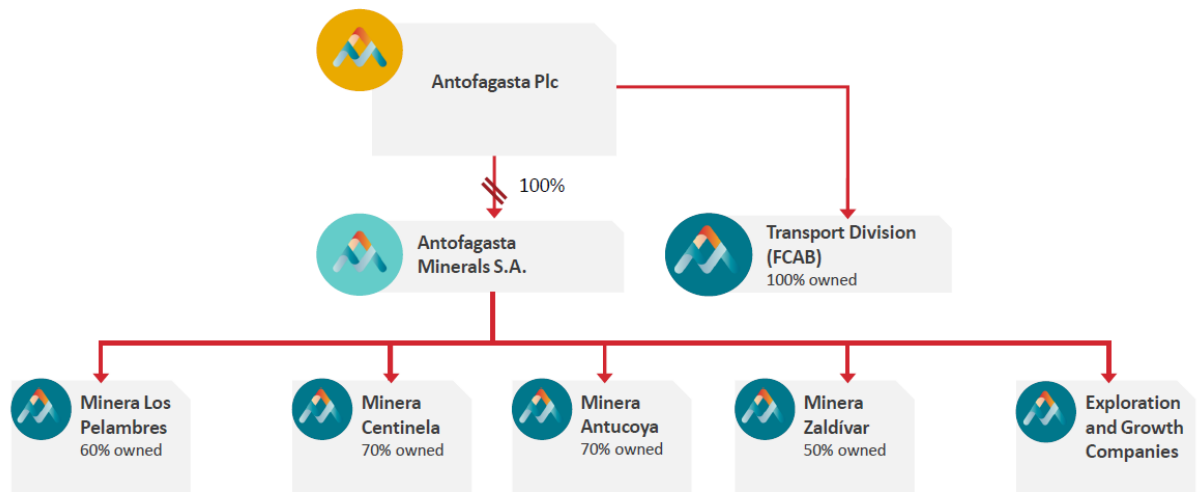
The Board has declared an interim dividend for the first half of 2025 of 16.6 cents per ordinary share, which amounts to \$163.7 million and will be paid on September 30, 2025 to shareholders on the share register at the close of business on September 5, 2025.

Corporate Information

We are a listed public limited company incorporated under the laws of England and Wales, listed on the London Stock Exchange since 1888, with a market capitalization of \$27 billion based on the 30-day volume-weighted average as of August 28, 2025. Our shares are admitted to trading on the Main Market of the London Stock Exchange and our ordinary shares are a component of the FTSE 100, the share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.

The E. Abaroa Foundation is a controlling shareholder of the Company for the purposes of the UK Listing Rules and certain other shareholders of the Company are also treated as controlling shareholders.

The following chart summarizes our corporate structure as of the date of this listing memorandum, including our material subsidiaries and joint ventures and our percentage ownership in them. For clarity of presentation, the chart identifies only our main subsidiaries and joint ventures and eliminates intermediate holding companies.



Company/Mine	Our Percentage Interest	Description
Minera Los Pelambres	60%	The Los Pelambres mine is in the Coquimbo region of Chile. It produces copper concentrate (containing gold and silver) and molybdenum concentrate. The remaining 40% is owned by a consortium of leading Japanese mining and metals companies, including JX Nippon Mining & Metals, Marubeni Mitsubishi Materials, and Mitsubishi Corp.
Minera Centinela	70%	The Centinela mine is in the Antofagasta region of Chile and produces copper concentrate (containing gold and silver) and molybdenum concentrate as well as copper cathodes. The remaining 30% is owned by Marubeni Corporation.
Minera Antucoya	70%	The Antucoya mine in the Antofagasta region of Chile began production in late 2015 and produces copper cathodes. The remaining 30% is owned by Marubeni Corporation.
Compañía Minera Zaldívar SpA	50%	The Group's holding in the Zaldívar mine in the Antofagasta region of Chile was acquired from Barrick Gold Corporation in December 2015. Barrick holds the remaining 50% and Antofagasta is the operator. Zaldívar produces copper cathodes
Ferrocarril Antofagasta a Bolivia (Permanent Establishment)	100%	Provides rail and truck services to the mining industry in the Antofagasta region, including to our own mining operations.

History

Antofagasta traces its founding to the formation of the Antofagasta (Chili) and Bolivia Railway Company Limited, incorporated and listed in London in 1888. This company raised money on the London Stock Exchange to acquire, build and operate a railway from Antofagasta, a port on the Pacific Coast of Northern Chile, to La Paz, the capital of Bolivia. Following the acquisition of control by the Luksic family in 1979 Antofagasta diversified into mining and other sectors.

Below is a timeline with the key events in our history:

1888	Antofagasta (Chili) and Bolivia Railway Company Limited incorporated in London
1979	Luksic family acquired controlling interest
1996	Financial and industrial interests exchanged for 39.25% interest in Quiñenco
1997	Start construction of large-scale mining and processing facilities at Los Pelambres
1999	Start of copper production at Los Pelambres
2003	Demerger of 33.6% interest in Quiñenco Acquisition of Aguas de Antofagasta
2006	Acquisition of Equatorial Mining to consolidate control of the Centinela Mining District
2008	Sale of 30% interest in Esperanza and El Tesoro to Marubeni
2010	Los Pelambres Expansion to 175,000 tpd Joint venture agreement signed with Duluth Metals in relation to Twin Metals Project in Minnesota
2011	Start of production of Esperanza
2012	Sale of 30% of Antucoya to Marubeni
2014	Esperanza and El Tesoro combine as Minera Centinela Acquisition of Duluth Metals' interest in the Twin Metals Project in Minnesota
2015	Mining division launches the Cost and Competitiveness Program to improve its competitiveness in the medium and long term, strengthening operations and enabling future growth Sale of Aguas de Antofagasta Acquisition of 50% of Zaldívar
2016	Commercial production achieved at Antucoya
2018	Encuentro Oxides project reached full capacity Los Pelambres Expansion approved

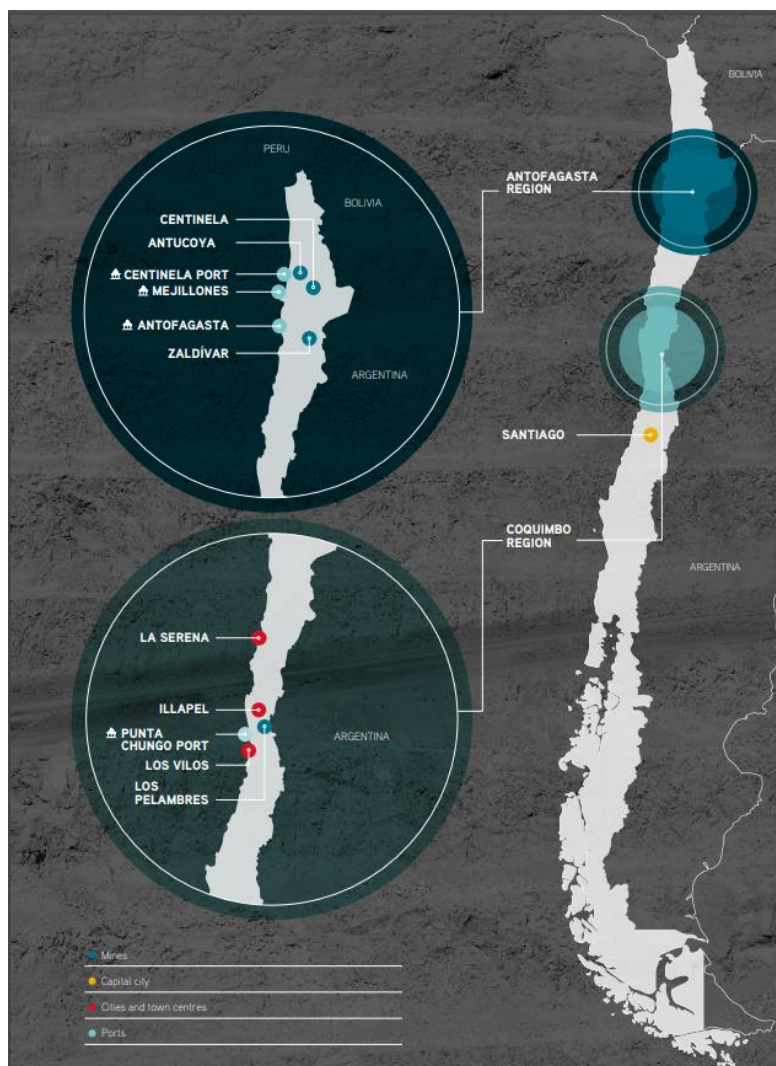
2019	Start of construction of the Los Pelambres Expansion and desalination plant Zaldívar Chloride Leach and Esperanza Sur pit projects approved
2020	Zaldívar became the first of our operations to use 100% renewables
2021	Updated emissions reduction target for 2025 and a carbon neutral target for 2050 were set
2022	Antucoya and Centinela switched to 100% renewably-generated electricity Completion of the Zaldivar Chloride Leach and Esperanza Sur pit projects
2023	Construction of the Los Pelambres Phase 1 Expansion completed Approval of the construction of the Second Concentrator at Centinela Approval of the Los Pelambres desalination plant expansion and replacement of concentrate pipeline EIA Acquisition of 19% of Buenaventura
2024	Construction of the Los Pelambres desalination plant expansion and concentrate pipeline commenced Construction of the Second Concentrator at Centinela commenced Cost and Competitiveness Program revised as Competitiveness Program
2025	Approval of Zaldívar's EIA to develop the primary sulphide ore deposit and enable Zaldívar's mine life to be extended to 2051

Description of Operations

Our activities are organized into two business divisions: the Mining division and the Transport division.

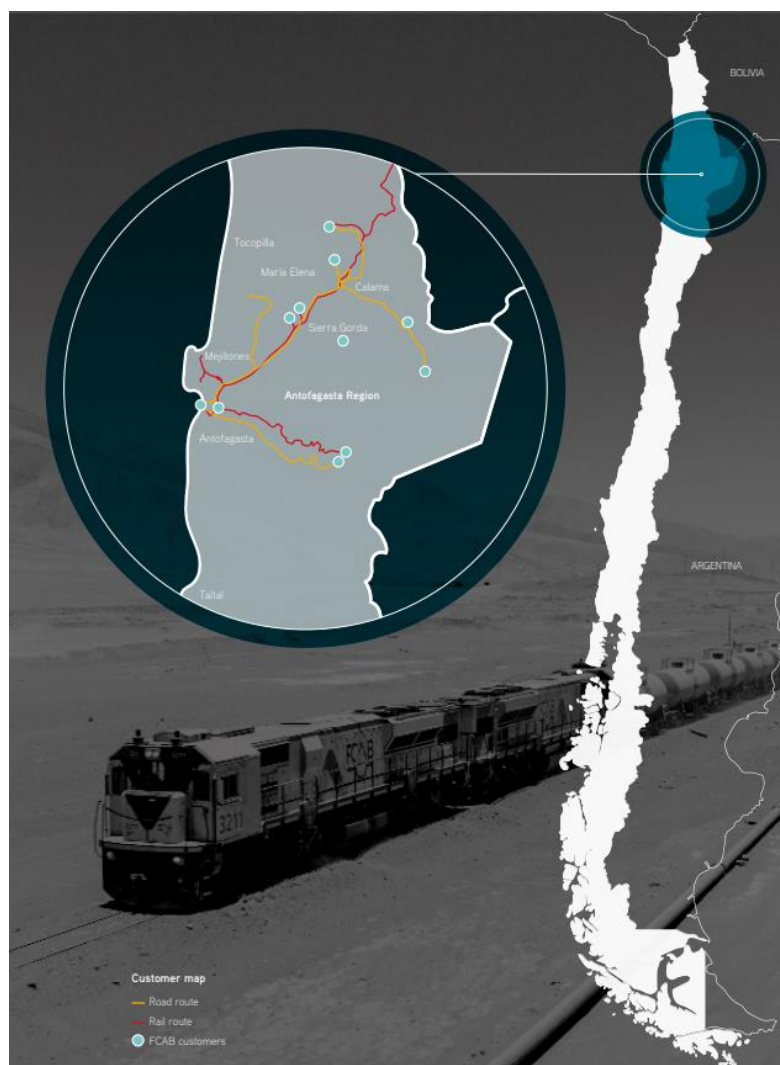
The following map shows the location of our current mining operations and development projects.

Location of Mining Operations and Development Projects



Our mining assets and Chilean development projects are located in the Coquimbo and Antofagasta regions of Chile, respectively. Our current mining operations and development projects are all located in Chile. Our exploration prospects are located in the Americas. Chile possesses unparalleled mining resources and, as an established mining country, has the benefit of local mining expertise and an attractive legal and regulatory framework for mining companies and foreign investment more generally. For further information on the legal and regulatory framework for mining companies in Chile, see “*Regulation.*”

The following map shows the location of our Transport division customers.



Mining Division Production Information

The four mines we operate produce copper and by-products, including gold and molybdenum as set out below for the years ended December 31, 2022, 2023 and 2024 and the six-month periods ended June 30, 2025 and 2024.

	Production ⁽¹⁾					
	Six-Month Period Ended June 30,					
	2024	2025	2024	2025	2024	2025
	Copper		Gold		Molybdenum	
	(Thousands of Tonnes)		(Thousands of Ounces)		(Thousands of Tonnes)	
Los Pelambres	132.5	143.2	18.9	25.9	4.2	5.7
Centinela	93.0	116.2	48.0	65.3	1.0	1.7
Antucoya	40.3	39.5	—	—	—	—
Zaldívar.....	18.9	16.0	—	—	—	—
Total	284.7	314.9	66.9	91.2	5.2	7.4

Production ⁽¹⁾									
Year Ended December 31,									
	2022	2023	2024	2022	2023	2024	2022	2023	2024
	Copper			Gold			Molybdenum		
	(Thousands of Tonnes)			(Thousands of Ounces)			(Thousands of Tonnes)		
Los Pelambres	275.0	300.3	319.6	43.1	43.3	46.6	7.2	8.1	8.4
Centinela	247.5	242.0	223.8	133.7	165.8	140.3	2.4	2.9	2.4
Antucoya	79.2	77.8	80.5	—	—	—	—	—	—
Zaldívar	44.5	40.5	40.1	—	—	—	—	—	—
Total	646.2	660.6	664.0	176.8	209.1	186.9	9.7	11.0	10.7

⁽¹⁾ Represents 100% of production at Los Pelambres, Centinela and Antucoya and 50% of production at Zaldívar.

Los Pelambres

Los Pelambres is our flagship operation. It is a sulfide deposit in Chile's Coquimbo region, 240 km north of Santiago and produces copper concentrate (containing gold and silver) and molybdenum concentrate through a milling and flotation process.

We own 60% of the mine. The remaining 40% is owned by a joint venture formed by a consortium of leading Japanese mining and metals companies, including JX Nippon Mining & Metals, Marubeni Mitsubishi Materials, and Mitsubishi Corp.

During 2024, a total annual average of 7,562 persons were employed at Los Pelambres, 1,396 of whom were permanent employees and 6,166 of whom were contracted personnel. For the year ended December 31, 2024, Los Pelambres produced 48% of our total attributable copper and generated 50% of our revenue. For the six-month period ended June 30, 2025, Los Pelambres produced 45% of our total attributable copper and generated 48% of our revenue.

Los Pelambres began production in 2000 and we currently have an EIA until 2035. In March 2024, the Group inaugurated the first phase of its desalination plant for Los Pelambres, representing a major investment and a technological response to lower water availability in the Coquimbo Region of central Chile where the mine is located. This 400 l/s facility, located at our port facility at Los Vilos, now supplies approximately half of Los Pelambres' water needs and is contracted to operate on 100% renewable electricity.

Production and Cash Costs

Copper production at Los Pelambres increased 8.1% to 143,200 tonnes in the six-month period ended June 30, 2025 compared to 132,500 tonnes in the six-month period ended June 30, 2024, principally related to the accumulation of concentrate inventories in the prior period. Copper production increased 6.4% from 300,300 tonnes in 2023 to 319,600 tonnes in 2024, mainly due to higher ore processing rates following completion of the Phase 1 Expansion Project, delivering additional water availability and processing capacity, and more than compensating for a planned reduction in ore grades processed.

Molybdenum production increased 35.7% to 5,700 tonnes in the six-month period ended June 30, 2025 compared to 4,200 tonnes in the six-month period ended June 30, 2024, principally related to higher grades and higher recoveries. Molybdenum production increased 3.7% from 8,100 tonnes in 2023 to 8,400 tonnes in 2024, as a result of higher grades, an improved throughput rate and higher recoveries.

Gold production increased 37.0% to 25,900 ounces in the six-month period ended June 30, 2025 compared to 18,900 ounces in the six-month period ended June 30, 2024, principally related to higher grades. Gold production increased 7.6% from 43,300 ounces in 2023 to 46,600 ounces in 2024, reflecting higher grades, an improved throughput rate and higher recoveries.

Cash costs before by-product credits in the six-month period ended June 30, 2025 were 4% higher than in the six-month period ended June 30, 2024 at \$2.24/lb, with this movement driven by an increase in unit costs and consumption rates for key consumables, offset by lower treatment charges, higher inventory levels in the prior year period and depreciation of the Chilean peso. Net cash costs in the six-month period ended June 30, 2025 fell by 15% to \$1.03/lb, reflecting higher by-product output and gold pricing, partially offset by a decrease in molybdenum pricing.

Cash costs before by-product credits for 2024 were \$2.09/lb, 9%, or 17c/lb, higher than in 2023, reflecting lower ore grades partially compensated by increased production, lower unit costs for key consumables such as diesel and electricity, grinding media and explosives, and depreciation of the Chilean peso. Net cash costs for the full year were \$1.27/lb, or 11% higher than in 2023 reflecting higher underlying cash costs offset by stronger by-products credits increasing to 82c/lb.

The table below sets forth Los Pelambres' production and net cash costs for the periods indicated.

Los Pelambres Production and Net Cash Costs					
Mine Production⁽¹⁾	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
Copper					
(thousands of tonnes)	275.0	300.3	319.6	132.5	143.2
Molybdenum					
(thousands of tonnes)	7.2	8.1	8.4	4.2	5.7
Gold					
(thousands of ounces).....	43.1	43.3	46.6	18.9	25.9
Net Cash Costs					
(cents per pound of copper) ⁽²⁾	1.10	1.14	1.27	1.21	1.03

⁽¹⁾ Represents 100% of production.

⁽²⁾ Net cash costs is a non-IFRS alternative performance measure of the cost of operating production expressed in terms of cents per pound of payable copper produced. See "Presentation of Financial and Certain Other Information." Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs. For Los Pelambres, cash costs are stated net of by-product credits and include tolling charges for concentrates. Net cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.

Capital expenditure at Los Pelambres for the six-month period ended June 30, 2025 was \$436.0 million, including \$322.8 million of sustaining capital expenditure, \$89.4 million of mine development capital expenditure and \$23.8 million of development capital expenditure.

Capital expenditure at Los Pelambres for the year ended December 31, 2024 was \$833.0 million, including \$547.9 million of sustaining capital expenditure, \$136.2 million on mine development and \$148.9 million of development capital expenditure.

Centinela

Centinela is located in Chile's Antofagasta region, 1,350 km north of Santiago, an important mining region with sulfide and oxide deposits. The mine is comprised of open-pit sulfide and oxide deposits from which it produces copper concentrate (containing gold and silver) and molybdenum concentrate through a milling and flotation process and copper cathode using a solvent-extraction electrowinning process ("SX-EW").

We own 70% of the mine. The remaining 30% is owned by Marubeni Corporation.

During 2024, a total annual average of 8,683 persons were employed at Centinela, 2,573 of whom were permanent employees and 6,110 of whom were contracted personnel. For the year ended December 31, 2024, Centinela produced 34% of our total attributable copper and generated 36% of our revenue. For the six-month period ended June 30, 2025, Centinela produced 37% of our total attributable copper and generated 40% of our revenue.

Centinela went into production in 2001 and we expect its mine life is approximately 33 years under the current mine plan.

Production and Cash Costs

Total copper production in the six-month period ended June 30, 2025 rose by 25% to 116,200 tonnes compared to the six-month period ended June 30, 2024, with an 84% increase in copper in concentrate output and 28% lower production of cathodes. In 2024, copper production at Centinela was 223,800 tonnes, 7.5% lower than in 2023 due to lower production at Centinela Concentrates due to lower grades, partially offset by higher output at Centinela Cathodes.

Gold production in the six-month period ended June 30, 2025 was 65,300 ounces, a 36% increase compared to the six-month period ended June 30, 2024, primarily due to higher gold grades and processed ores, as well as improved recoveries. Gold production in 2024 was 140,300 ounces, 15.4% lower than in 2023, due to lower gold grades (which are correlated to copper grades).

Molybdenum production in the six-month period ended June 30, 2025 was 1,700 tonnes, a 70% increase compared to the six-month period ended June 30, 2024, driven by higher grades, partially offset by lower recovery rates. Molybdenum production in 2024 was 2,400 tonnes, 17.2% lower than in 2023, following record levels of production in the prior year.

Cash costs before by-products fell to \$2.21/lb in the six-month period ended June 30, 2025, with this 33% decrease compared to the six-month period ended June 30, 2024 primarily driven by higher copper production and an increased proportion of copper in concentrate production, in addition to lower unit costs for key consumables and lower treatment charges. Cash costs before by-product credits for 2024 were \$2.60/lb, 3c/lb higher than in 2023 which was the result of lower production during the year, offset by lower costs for maintenance and input prices for key consumables, and depreciation of the Chilean peso.

Net cash costs of \$1.00/lb in the six-month period ended June 30, 2025 were 60% lower than the six-month period ended June 30, 2024, reflecting higher by-product production and gold pricing, which combined to increase by-product credits by 46% to \$1.21/lb. Net cash costs for 2024 were \$1.60/lb, 1.8% lower than in 2023 with this movement representing the balance of an increase in the underlying cash cost and a 6% increase in the by-product credit.

The table below shows Centinela's production and net cash costs for the periods indicated.

Centinela Production and Net Cash Costs					
Mine Production⁽¹⁾	Year Ended December 31,			Six-Month Period	
	2022	2023	2024	Ended June 30,	2025
Copper					
(thousands of tonnes)	247.5	242.0	223.8	93.0	116.2
Gold					
(thousands of ounces)	133.7	165.8	140.3	48.0	65.3
Molybdenum					
(thousands of tonnes)	2.4	2.9	2.4	1.0	1.7

Net Cash Costs					
(cents per pound of copper) ⁽²⁾	1.75	1.63	1.60	2.48	1.00

⁽¹⁾ Represents 100% of production.

⁽²⁾ Net cash costs is a non-IFRS alternative performance measure of the cost of operating production expressed in terms of cents per pound of payable copper produced. See “Presentation of Financial and Certain Other Information.” Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs. For Centinela, cash costs are stated net of by-product credits and include tolling charges for concentrates. Net cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses, and corporation tax.

Capital expenditure at Centinela for the six-month period ended June 30, 2025 was \$1,122.9 million, including \$111.7 million of sustaining capital expenditure, \$287.3 million of mine development capital expenditure and \$723.8 million of development capital expenditure (\$656.7 million related to the Centinela Second Concentrator Project).

Capital expenditure at Centinela for the year ended December 31, 2024 was \$1,414.0 million, including \$210.8 million of mine development, \$240.1 million of sustaining capital expenditure and \$963.1 million of development capital expenditure (\$877.6 million related to Centinela Second Concentrator Project).

Zaldívar

Zaldívar is an open-pit, heap-leach copper mine located at nearly 10,000 feet above sea level in northern Chile approximately 1,400 km north of Santiago and 175 km southeast of the city of Antofagasta. Zaldívar produces copper cathodes using the solvent extraction and SX-EW process.

Zaldívar’s EIA was formally approved on May 16, 2025. The EIA 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 sea water or water provided by third parties by 2028. The approval enables Zaldívar’s mine life to be extended to 2051.

We acquired a 50% interest in Zaldívar in December 2015 from Barrick Gold Corporation and became the operator of the mine.

During 2024, a total annual average 2,814 persons were employed at Zaldívar, 906 of whom were permanent employees and 1,908 of whom were contracted personnel. In the six-month period ended June 30, 2025, Zaldívar produced 5% of our total attributable copper. In 2024, Zaldívar produced 6% of our total attributable copper.

Production and Cash Costs

Total attributable copper production in the six-month period ended June 30, 2025 was 16,000 tonnes, 15% lower than in the six-month period ended June 30, 2024, primarily as a result of lower grades during the period. In 2024 our attributable copper production at Zaldívar was 40,100 tonnes, 1.0% lower than in 2023 with a 15% year-on-year drop in copper grades in line with expectations, partly compensated by higher ore throughput rates.

Cash costs of \$3.22/lb in the six-month period ended June 30, 2025 were 8% higher than in the six-month period ended June 30, 2024, due to increased consumption of key consumables, such sulphuric acid and electricity, partially offset by depreciation of the Chilean peso.

Cash costs for 2024 were \$3.02/lb, compared with \$2.95/lb in 2023, reflecting a balance of lower unit costs for key consumables such as sulphuric acid, depreciation of the Chilean peso, a reduction in costs associated with maintenance and the settlement of a three-year labor agreement in the prior period. These factors were balanced by lower production due to lower grades and an increase in costs associated with the utilization of inventory from prior periods.

The table below shows Zaldívar's production output and cash costs for the periods indicated.

Zaldívar Production and Cash Costs					
Mine Production⁽¹⁾	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
Copper (thousands of tonnes).....	44.5	40.5	40.1	18.9	16.0
Cash Costs (cents per pound of copper) ⁽²⁾	2.39	2.95	3.02	2.97	3.22

⁽¹⁾ Represents our 50% attributable share of production.

⁽²⁾ Cash costs is a non-IFRS alternative performance measure of the cost of operating production expressed in terms of cents per pound of payable copper produced. See "Presentation of Financial and Certain Other Information." Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs.

Attributable capital expenditure at Zaldívar for the six-month period ended June 30, 2025 was \$19.7 million, including \$9.0 million of sustaining capital expenditure, \$6.5 million of mine development capital expenditure and \$4.2 million of development capital expenditure.

Attributable capital expenditure at Zaldívar for the year ended December 31, 2024 was \$42.2 million, of which \$29.6 million was sustaining capital expenditure.

Antucoya

Antucoya is located in northern Chile and is approximately 1,400 km north of Santiago and 125 km northeast of the city of Antofagasta. Antucoya mines and leaches oxide ore to produce copper cathodes using the solvent extraction and SX-EW process. The mine commenced production in 2016.

We own 70% of the mine. The remaining 30% is owned by Marubeni Corporation.

As of December 31, 2024, a total of 2,583 persons were employed at Antucoya, 925 of whom were permanent employees and 1,658 of whom were contracted personnel. In the six-month period ended June 30, 2025, Antucoya produced 13% of our total attributable copper. In 2024, Antucoya produced 12% of our total attributable copper.

Production and Cash Costs

Copper production of 39,500 tonnes in the six-month period ended June 30, 2025 was 2% lower than in the six-month period ended June 30, 2024, reflecting higher inventories, lower grades and ore throughput rates, partially offset by higher recoveries. In 2024, copper production at Antucoya was 80,400 tonnes, 3.3% higher than 2023 which reflected a record year for ore tonnes processed, with higher recoveries offset by lower grades on a year-on-year basis.

Cash costs in the six-month period ended June 30, 2025 were \$2.58/lb, in line with the six-month period ended June 30, 2024, which represents a balance of increased unit costs for key consumables, such as sulphuric acid and electricity, and higher inventories, offset by the positive effect of lower consumption rates for sulphuric acid. Cash costs for 2024 were \$2.53/lb, 3.8% lower than in 2023, representing higher

production, lower unit costs for key consumables, and depreciation of the Chilean peso, with these factors mitigated by a higher level of mining activities during the period.

The table below shows Antucoya's production output and cash costs for the periods indicated.

Antucoya Production and Cash Costs					
Mine Production⁽¹⁾	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
Copper (thousands of tonnes).....	79.2	77.8	80.4	40.3	39.5
Cash Costs (cents per pound of copper) ⁽²⁾	2.50	2.63	2.53	2.58	2.58

⁽¹⁾ Represents 100% of production

⁽²⁾ Cash costs is a non-IFRS alternative performance measure of the cost of operating production expressed in terms of cents per pound of payable copper produced. See "Presentation of Financial and Certain Other Information." Cash cost per pound is calculated as U.S. dollars per pound of payable copper produced. Cash costs reflect the mining and processing costs required to produce our copper concentrate and cathodes, including related transportation costs.

Capital expenditure at Antucoya in the first six-month period ended June 30, 2025 was \$43.2 million, including \$40.8 million of sustaining capital expenditure and \$2.4 million of mine development capital expenditure.

Capital expenditure at Antucoya for the year ended December 31, 2024 was \$123.4 million, including \$80.3 million on sustaining capital expenditure.

Transport Division

Our Transport division focuses on the transport by rail and road of copper cathode and concentrates from, and the transport of sulfuric acid to, the Antofagasta region and some of its main customers are some of the largest mining operations in northern Chile.

Total transport volumes in the six-month period ended June 30, 2025 were 3.1 million tonnes. Total transport volumes in 2024 were 7.1 million tonnes, which were broadly consistent with those in 2023, with the 7.1 million tonnes of transported material. The division's EBITDA in 2024 was \$76 million, 7.3% lower than in 2023, due to higher operational costs and lower performance of the truck transport business.

In 2024, the Transport division operated approximately 900 km of railroad, with the main railway connecting Ollagüe (next to the border between Chile and Bolivia) with the city and port of Antofagasta. The main railway is linked to several other railways that connect the network with other cities and ports, including Mejillones and in the north of Argentina.

During 2024, the Transport division operated 80 locomotives of which 19 were purchased in recent years replacing older less fuel-efficient equipment and increasing the fleet's haulage capacity and efficiency. The Transport division also operates a fleet of more than 60 trucks and ancillary tanks and equipment to support its railway operations.

The Transport division is focused on the development of local communities, including by providing access to quality jobs and through various cultural and social engagement programs. For example, this includes a plan in consultation with local communities, to convert land in the center of the city of Antofagasta from industrial to urban use.

Reserves

We have a strong tradition of mining and a long-term approach to investment in our operating assets and portfolio of development projects and advanced exploration prospects.

The following is a chart containing our ore reserve estimates as of December 31, 2024.

	Tonnage (millions of tonnes)	Copper (%)	Molybdenum (%)	Gold (g/tonne)	Attributable tonnage (millions of tonnes)
Los Pelambres					
Proved.....	559.9	0.59	0.022	0.05	336.0
Probable.....	221.6	0.54	0.020	0.05	132.9
Total.....	<u>781.5</u>	<u>0.58</u>	<u>0.021</u>	<u>0.05</u>	<u>468.9</u>
Centinela					
<i>Centinela Concentrates (sulfides)</i>					
Proved.....	963.6	0.47	0.014	0.18	674.5
Probable.....	1,436.9	0.37	0.013	0.12	1,005.8
Subtotal.....	<u>2,400.6</u>	<u>0.41</u>	<u>0.013</u>	<u>0.14</u>	<u>1,1680.4</u>
<i>Centinela Cathodes (oxides)</i>					
Proved.....	19.9	0.46	—	—	13.9
Probable.....	132.9	0.34	—	—	93.0
Subtotal.....	<u>152.7</u>	<u>0.35</u>	<u>—</u>	<u>—</u>	<u>106.9</u>
<i>Centinela Total</i>					
Proved.....	983.5	0.47	—	—	688.5
Probable.....	1,569.8	0.37	—	—	1,098.8
Total.....	<u>2,553.3</u>	<u>0.41</u>	<u>—</u>	<u>—</u>	<u>1,787.3</u>
Antucoya					
Proved.....	397.4	0.32	—	—	278.2
Probable.....	294.0	0.28	—	—	205.8
Total.....	<u>691.4</u>	<u>0.30</u>	<u>—</u>	<u>—</u>	<u>484.0</u>
Zaldívar					
Proved.....	218.2	0.44	—	—	109.1
Probable.....	132.8	0.41	—	—	66.4
Total Group Joint Venture.....	351.0	0.43	—	—	175.5
Total	4,377.2	0.42	—	—	2,915.7

Growth

Exploration in Chile and internationally remains a key objective to the sustainable long-term growth of our copper business. We have an active program of early and intermediate-stage projects managed from our exploration offices in Santiago, Chile, Toronto, Canada and Lima, Peru and take a very disciplined and conservative approach to growth with a long-term view. In line with that approach, we have been pursuing a long-term development/growth project in Minnesota, which has an estimated mine life of 25 years. In addition, during 2023 we entered into transactions in the secondary market to increase our beneficial ownership to approximately 19% of the outstanding shares of Buenaventura, Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.

Recently Completed Projects

Los Pelambres Expansion (Phase 1)

To maximize the potential of Los Pelambres, we have undertaken a multi-year expansion project with the goal of increasing throughput and improving overall efficiencies. This expansion project is divided into two phases.

Phase 1 of the expansion was designed to optimize 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 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 included the installation of an additional SAG mill and ball mill and six additional flotation cells.

The Los Pelambres desalination plant and concentrator expansion were completed in 2023. At the processing plant, mechanical completion of the concentrator plant expansion was successfully achieved in October 2023. Through this expansion, Los Pelambres was able to increase ore throughput rates by 22% in 2024.

Projects Under Construction

Our approach to considered growth means that we focus on everything from controlling capital costs and optimizing production at our existing operations to the development of new mining operations. We achieve this through careful project management and constant monitoring of the efficiency of our mines, plants and transport infrastructure.

Los Pelambres Expansion – Desalination Plant Expansion and Replacement of the Concentrate Pipeline

In 2023, Los Pelambres received approval of the EIA required for this project, which includes the expansion of the desalination plant from 400 l/s to 800 l/s and two other sustaining capital infrastructure projects:

1. The replacement of the concentrate pipeline. The new pipeline's route will differ from 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 reduce the risk of unplanned downtime from the existing pipeline which has been in operations over 20 years, and is planned to be in operation from 2027; and
2. Construction of certain planned enclosures at the El Mauro tailings storage facility.

These projects are designed to enhance the resilience of Los Pelambres against the future impact of climate change and the deteriorating availability of water in the region. The project cost will be reported as part of the Group's sustaining capital expenditure, and is expected to cost approximately \$2 billion. Construction commenced during 2024 and is expected to be completed in 2027.

Centinela Second Concentrator Project

In March 2024, the Group announced the commencement of full construction of the Centinela Second Concentrator Project. The project includes the construction of a second concentrator and tailings

deposit, approximately 7 km from the existing concentrator. The EIA was approved by the authorities in 2016.

The capacity of the new concentrator is expected to 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.

The projected capital cost of the project is \$4.0 billion. The estimate includes costs related to a concentrator plant, capitalized 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. In March 2024, Centinela entered into a definitive agreement with a group of international lenders for a \$2.5 billion project financing term loan facility with a 4-year drawdown period and a term of approximately 12 years. Under the terms of the Centinela Term Loan Facility, the Company is required to guaranty certain obligations of Centinela until certain milestones are completed in connection with the project.

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 is expected to 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.

In March 2024, the Company also announced that it entered into a detailed agreement that provides Centinela with the option to receive water for its current and future operations from an experienced international consortium who would acquire Centinela's existing water supply system and build an expansion of this system to supply the Centinela Second Concentrator Project. As at June 30, 2025, construction activities are progressing in line with expectations and on budget, including work on the camp facilities, ore delivery system, concentrator and tailings facility, and are over 50% complete.

Projects Under Evaluation

Los Pelambres Expansion (Phase 2)

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. In order to extend the mine's life by at least 15 years and access a larger portion of Los Pelambres' six billion tonnes of mineral resources, we submitted an EIA in the fourth quarter of 2024, and it was confirmed in the first half of 2025 that the technical and administrative requirements have been met for its review. We are currently working on the technical and community-related responses. The EIA contemplates increasing the capacity of the El Mauro tailings storage facility, adding storage capacity for mine waste at Los Pelambres and providing the water requirement for the enlarged capacity of this operation. This EIA also provides 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).

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, U.S. The originally proposed project was over a portion of the total resource and envisaged 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 originally proposed project, as configured, has been suspended

and remains uncertain pending litigation challenging several actions taken by the US federal government that have impeded its advancement.

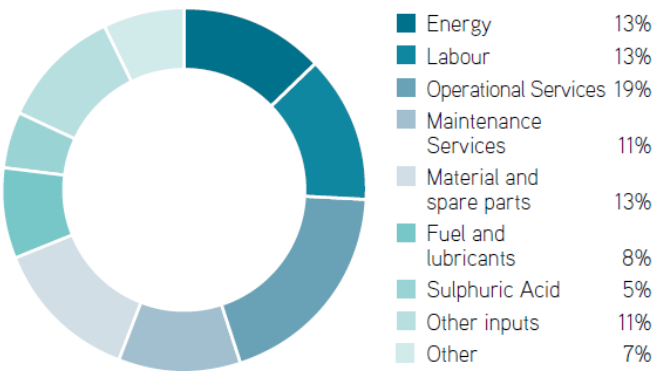
In 2022, Twin Metals filed a lawsuit in the US District Court for the District of Columbia (District Court) challenging the administrative actions resulting in the rejection of Twin Metals’ preference right lease applications (PRLAs), the cancellation of its federal mining leases 1352 and 1353, the rejection 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.

The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals’ originally proposed project plan. If Twin Metals is unsuccessful in having the decisions on the federal leases 1352 and 1353 and the PRLAs reversed, it will not be entitled to the mineral resources associated with those mineral licenses.

Key Inputs and Cost Base

Our mining operations depend on many inputs, including energy, labor, sulphuric acid and fuel, the most important of which are reviewed below. In 2024, operational services, maintenance services and spare parts accounted for 43% of the Mining division’s total production costs, and energy and labor were the largest direct costs, each accounting for 13%. As concentrate producers, Los Pelambres and Centinela require reagents and grinding media. As cathode producers, Centinela, Antucoya and Zaldívar use the SX-EW process that requires the consumption of sulphuric acid. The availability, cost and supply reliability of these inputs are central to our cost management strategy, which focuses on cost control and security of supply.

Chart: Breakdown of cash costs 2024



Energy – All of our operations are on the country’s main grid, the National Electrical System (Sistema Eléctrico Nacional, SEN), and source power under medium- and long-term contracts called PPAs. Since 2022, the Group has had contracts in place for all operations to receive renewable power.

During 2024, electrical energy consumption was 3,953 GWh (2023: 3,396 GWh). The weighted average price considering all items (all-in price) was \$125/MWh (2023: \$131/MWh). The increase in consumption compared to 2023 is mainly explained by the operation at full capacity of the Los Pelambres Phase 1 Expansion Project.

Labor – Accessing a diverse and talented workforce is key to our success. Our employees accounted for 13% of our production costs in 2024 (2023: 11%). Labor agreements are in place with each of the unions at our operations and generally last for a period of three years, at the end of which they are renegotiated. During 2024, we concluded a three-year labor agreement with a workers’ union at Centinela, with discussions completed ahead of schedule. The Mining division has four labor agreements due to expire in 2025, and therefore four processes of collective bargaining are planned in the second half of 2025. These include three supervisors’ unions at Zaldívar, Los Pelambres and Antucoya, and one workers’ union at Antucoya. Our employees’ wages are adjusted quarterly for inflation. As a result, labor costs typically increase by more than inflation (once labor agreements are considered), but we aim to compensate for this with productivity improvements.

Fuel and lubricants – Fuel and lubricants represented approximately 8% of our production costs in 2024 and are used mainly in our mining operations. Diesel prices exhibited an increased degree of stability in 2024 compared to 2023. The average price for WTI crude oil in 2024 was \$76.60 per barrel (WTI 2023: \$77.60 per barrel). This component accounts for approximately 70% of the diesel price, with the remaining 30% attributed to refining, logistics, distribution, storage and other factors.

Explosives (category: other inputs) – During 2024, prices for explosives averaged \$648 per tonne (2023: \$680), reflecting a decrease of 5% due to lower and stabilizing prices of the main raw material ammonia, which is derived from natural gas. Additionally, lower demand for ammonia from the agricultural sector contributed to a reduction in pricing.

In 2024, the normalization of exports from key producing countries, such as Russia and Belarus, also contributed to greater availability of ammonia on the market, helping to stabilize and reduce prices. However, we do not source ammonia from these locations.

Grinding balls and mill liners (category: other inputs) – Steel is used in the manufacture of grinding balls and of some mill liners, and accounted for approximately 7% of a concentrator plant’s costs and 2% of the Group’s production costs in 2024. Steel prices decreased in 2024 due to a decline in the Chinese market, lower demand for steel, primarily in the construction sector, increased production from major producers like Australia and Brazil, and international trade tensions.

Tires (category: other inputs) – Tire prices are influenced by international market trends and fluctuate based on the supply and demand of key raw materials, including natural rubber, synthetic rubber, steel and black carbon. In the second half of 2024, prices increased by 3% compared to the same period in 2023.

Each year, our operations consume approximately 1,400 haul truck tires, which are typically procured through five-year contracts to ensure a stable supply.

Sulphuric Acid – Sulphuric acid is one of the main inputs for the SX-EW leaching process used to produce copper cathodes, and in 2024, this cost accounted for approximately 5% of the Group’s overall production costs. Each year, Centinela, Antucoya and Zaldívar use a combined total of approximately 1.5 million tonnes of sulphuric acid, which is typically contracted under one-year agreements to secure supply. During 2024, the annual acid price (including transportation) was approximately \$155 per tonne, while market spot prices ranged from \$120 to \$173 per tonne, compared to an annual price (including transportation) of \$183 per tonne in 2023 and market spot range of between \$90 and \$148 per tonne.

Exchange rate – The Chilean peso/U.S. dollar exchange rate generally has a strong correlation with the copper price as copper exports generate nearly 50% of Chile’s foreign currency earnings. Therefore, if the copper price strengthens, so does the Chilean peso, and vice versa, providing a natural hedge for the

Group. In the six-month period ended June 30, 2025, the Chilean peso averaged Ch\$933/\$1. During 2024, the Chilean peso averaged Ch\$944/\$1.

Marketing

Relationships

Most copper and molybdenum sales are made under annual contracts or longer-term framework agreements, so our sales are based primarily on long-term customer relationships and commitments. The marketing team works to build long-term relationships with the smelters and fabricators who purchase our products. Without these relationships, we would have to sell a greater proportion of our cathodes and concentrate on the spot market, with greater uncertainty about pricing and volume.

Pricing

Our sales contracts typically establish the annual volumes to be supplied and the main terms for the sale of each payable metal, with the pricing of copper in line with LME prices. In the case of concentrate, a deduction is made from LME prices to reflect the treatment and refining costs necessary to process the concentrate into refined copper. These costs are typically determined annually and generally align with terms negotiated across the concentrate market.

A significant proportion of our copper cathode sales are made under annual contracts, priced at LME prices. In copper cathode transactions, a premium (or in some cases a discount) on the LME price is negotiated to reflect differences in quality, logistics and financing compared with the metal exchanges' standard copper contract specifications. Similarly, our molybdenum contracts are made under long-term framework agreements, with pricing usually based on average prices posted by Platts.

Across the industry, neither copper producers nor consumers tend to make annual commitments for 100% of their respective production or needs. Producers normally retain a portion to be sold on the spot market throughout the year. The prices realized by Antofagasta during a specific period will differ from the average market price for that period. This is because, in line with industry practice, sales agreements generally provide for provisional pricing at the time of shipment, with final pricing based on the average market price for the month in which settlement takes place.

For copper concentrate, the final price remains open until settlement occurs, on average four months from the shipment date. Settlement for the gold and silver content in copper concentrate sales typically occurs approximately one month following shipment. Copper cathode sales usually remain open for an average of one month following shipment. Settlement for copper in concentrate sales is later than for copper cathode sales because further refinement of copper in concentrate is needed before sale. Molybdenum sales generally remain open for two or three months following shipment.

Customers

Most of our copper and molybdenum sales are made under annual contracts or longer-term framework agreements, with sales volumes agreed for the coming year. Gold and silver are contained in the copper concentrates and are therefore part of copper concentrates sales. Most sales are to industrial customers who further process the copper into more value-added products – smelters, in the case of our copper concentrate production, and copper fabricators, in the case of our cathode production. We build long-term relationships with these key smelters and fabricators, while ensuring customer diversification. We also maintain relationships with trading companies that participate in shorter-term sales agreements, or in the spot market.

The table below sets forth our revenue by location of customer for the period specified:

Revenue by Location of Customer⁽¹⁾					
	Year Ended December 31,			Six-Month Period Ended June 30,	
	2022	2023	2024	2024	2025
	(in millions of U.S. dollars)				
Europe					
- UK	71.0	22.8	23.8	15.8	10.9
- Switzerland	753.6	386.5	367.8	142.2	266.2
- Spain	1.0	-	82.9	46.8	13.8
- Germany	140.0	200.0	160.8	35.2	200.8
- Rest of Europe	96.5	89.9	170.7	116.7	51.8
Latin America					
- Chile	369.1	399.5	366.9	200.9	206.7
- Rest of Latin America	179.7	133.0	289.7	140.4	219.0
North America					
- United States	312.3	441.7	470.1	110.4	314.6
Asia					
- Japan	1,668.6	1,989.6	1,961.4	964.7	1,143.7
- China	1,072.0	1,417.3	1,292.2	640.0	732.9
- Singapore	423.8	450.2	336.2	170.8	181.7
- South Korea	332.2	391.1	436.7	193.0	205.7
- Hong Kong	178.2	204.7	236.2	56.2	222.4
- Rest of Asia	264.0	198.2	418.0	122.1	29.2
Total	<u>5,862.0</u>	<u>6,324.5</u>	<u>6,613.4</u>	<u>2,955.2</u>	<u>3,799.4</u>

(1) Figures include both revenue from the sale of products and the associated income from the provision of shipping services.

Some of our major customers are also equity holders in our mining operations. For the year ended December 31, 2024, our mining revenue included \$860.5 million related to one large customer that individually accounted for more than 10% of the Group's revenue (year ended December 31, 2023: one large customer representing \$1,081.0 million).

Environmental Matters

We believe that the health and safety of our employees, respect for the environment, and active engagement with local communities are fundamental to our business. As a result, we are continually examining ways of implementing best practices in these fields through new programs.

Environmental Management

We have a comprehensive approach to incident prevention, aligned with the environmental management model applied by our operations and projects in progress. Risks are assessed, monitored and controlled to achieve our goal of zero events with significant environmental impact. We work to raise awareness among our employees and contractors by providing training to promote operating excellence related to the environment in which we work. The potential environmental impact of a project is a key consideration when assessing its viability to obtain our environmental permits, and we encourage the integration of innovative technology in the project design to mitigate such impacts.

We prioritize the efficient use of natural resources by using sea water, favoring the use of renewable power, and achieving higher rates of reuse and recovery of water by using thickened tailings technology. We recognize that environmental performance is key to our ability to generate social value,

and we perform regular risk assessments to identify our potential impact and develop preventive and mitigating strategies.

Each site regularly updates its environmental emergency preparedness and detailed closure plans, complying with current legislation and applicable international guidelines. In the event of an environmental operational event, all appropriate control, containment or corrective measures would be taken immediately.

During 2024, we published our environmental management model, which establishes the critical controls that must be implemented for any activity or project with environmental risks. This aimed to achieve operational excellence by integrating environmental considerations into the business, and transitioning towards preventive environmental management. Additionally, we incorporated a new pillar in the standard, focused on obtaining environmental permits, through which we monitored the implementation of our new directive. Finally, we progressed in the maturity of our management model by implementing it comprehensively across operations and projects, encompassing both the Mining and Transport divisions.

In 2024, two of Antofagasta's operations, Centinela and Zaldívar, were the first in the world to obtain the Copper Mark re-certification process under the 33 updated criteria of this framework. The process involved independent reviewers visits both sites and surrounding areas in September 2024 and undertaking interviews with key stakeholders. This reaffirms our commitment to responsible and sustainable production, and our alignment with the United Nations' Sustainable Development Goals.

Water

Water use at our operations is primarily centered on the processing of ores: it is essential for moving material through our concentrators, beneficiating ores to produce concentrates and treating ores at our SX-EW operations to extract copper in the production of cathodes. Responsible extraction, use and recycling of water are all important aspects of our purpose of being a responsible mining company.

Sea water sources represented 63% and 58%, respectively, of total water extraction by the Mining division in the six-month period ended June 30, 2025 and the year ended December 31, 2024, representing a consistent result period-on-period (six-month period ended June 30, 2024: 64%; year ended December 31, 2023: 60%). In March 2024, the Group completed the first phase of its desalination plant for Los Pelambres, representing a major investment and a technological response to lower water availability in the Coquimbo Region of central Chile where the mine is located. This 400 l/s facility, located at our port facility at Los Vilos, now supplies approximately half of Los Pelambres' water needs and is contracted to operate on 100% renewable electricity. A key priority for the coming years will be to maintain the construction schedule for the expansion of this facility to 800 l/s.

In the north of Chile, Centinela and Antucoya's operations have used raw sea water for a number of years, with both plants configured to handle saline water in processing. Local water wells were closed in 2022, and these operations now run on 100% sea water. At Centinela, existing water infrastructure will be expanded to supply the Second Concentrator Project for its completion in 2027, maintaining this project's reliance on 100% raw sea water as it expands.

Zaldívar's EIA was formally approved on May 16, 2025. The EIA includes a plan to change the mine's water source from the local aquifer to either sea water or water provided by third parties by 2028.

Operationally, the Group upgraded its water management department to a standalone function in 2023 and strengthened its water governance system for all mining operations in 2024. The system now includes plans, monthly reporting and goals related to water use at each mine. During 2024, the first stage

of the Water Data Platform was developed, which allows for detailed monitoring and reporting of the Group's key metrics.

Biodiversity

Our biodiversity management efforts span the full lifecycle of our mines, from the early stages of exploration through to development and operations. We operate in accordance with local regulations, international standards, International Council on Mining and Metals ("ICMM") principles and commitments, and the mitigation hierarchy.

Reflecting the Position Statement on Nature of the ICMM, we are committed to:

1. Respecting legally designated protected areas and ensure that any new operations or changes to existing operations are not incompatible with the objectives for which the protected areas were established.
2. Not exploring or mining in UNESCO World Heritage sites. All reasonable steps will be taken to ensure that existing operations in World Heritage sites, as well as existing and future operations adjacent to World Heritage sites, are not incompatible with the outstanding universal value for which these sites are listed and do not put the integrity of these sites at risk.
3. Assessing and addressing material risks and impacts to biodiversity and ecosystem services by implementing the mitigation hierarchy actions specified in the Position Statement to achieve a minimum of no net loss, or net gain, of biodiversity by completion of closure.

In addition, in accordance with our Biodiversity Standard and aligned with the ICMM's commitments, we seek to protect wildlife around our mining sites.

Los Pelambres is situated in Chile's Coquimbo Region, where businesses and communities operate in close proximity to wildlife and natural habitats. We work directly with the relevant local authorities to support activities in four nature sanctuaries in the commune of Los Vilos, where our port and desalination facility are located. For every hectare of land utilized by Los Pelambres, a further six hectares are supported, meaning that more than 27,800 hectares are protected.

The most recent of these areas to be declared a sanctuary is Cerro Santa Ines, a "Valdivian forest" that survives due to the existence of special climatic conditions, such as obtaining water from the coastal fog typical of a coastal steppe climate.

Tailings

All the Group's tailings dams are constructed using the downstream method, in accordance with Chilean regulatory requirements. The Group utilizes the dry-stack tailings disposal method at Centinela and is reviewing modern technologies for the enhanced recovery of water from tailings prior to disposal at Los Pelambres.

Where our mining operations have reached a conclusion, such as at the completion of a design for a tailings facility, we aim either to restore habitats to pre-agreed designs or to repurpose the space for a different use, depending on the natural environment.

The Global Industry Standard on Tailings Management ("GISTM") was developed through the Global Tailings Review, an independent process convened in 2019 by the United Nations Environment Program (UNEP), the office sponsoring the Principles for Responsible Investment (PRI) and the ICMM. GISTM compliance was achieved in 2023 for the Group's main tailings facilities at Los Pelambres (El Mauro) and Centinela. In August 2025, the Group achieved GISTM compliance at Quillayes, a smaller-

scale tailings facility at Los Pelambres, and for another tailings facility at Zaldívar. With this, the Group is in full compliance under GISTM. Each deposit is independently reviewed.

Rehabilitation work at the Quillayes tailings facility at Los Pelambres has focused on replanting this 300-hectare site. Work is focused on planting native trees and shrubs, in accordance with the closure plan.

Following the completion of mining activities at a former oxide pit in the Centinela District, the Group has begun work on a pilot project depositing tailings at a former open-pit mine site. If this trial is successful, this project will potentially reduce Centinela's operational footprint and enable Centinela to backfill a previously operational area with material. In addition, once operational, the Second Concentrator Project at Centinela is expected to utilize technologies to produce thickened tailings. This form of tailings generation will have benefits in terms of reducing water consumption and increased tailings stability.

Decarbonization

Our approach to decarbonization establishes a comprehensive framework for the timely management of climate-related risks and opportunities that are presented throughout the value chain. Through innovation, planning and resilience, we are transforming our production processes and managing risks associated with climate change according to three criteria: risk control, the assurance of investment resources, and ensuring the consistent use of an internal carbon price in project approvals.

The central objective of this strategy is to strengthen the Group's capacity to mitigate and adapt to climate change. The strategy is based on the following five pillars and their respective lines of action:

1. Building climate resilience;
2. Reduction of greenhouse gas (GHG) emissions;
3. Efficient use of strategic resources;
4. Environmental and biodiversity management; and
5. Integration of stakeholders.

We are also focused on reducing our carbon emissions. In line with the objectives of the Paris Agreement, we aim to (i) reduce our Greenhouse Gas (GHG) emissions in the short- and medium-term, (ii) achieve carbon neutrality in Scope 1 & 2 emissions by 2050 (or sooner, if technology allows), (iii) reduce Scope 1 and 2 emissions by 50% by 2035, using 2020 as a baseline, and (iv) reduce Scope 3 emissions by 10% by 2030, against the "no actions" scenario using 2022 as a baseline.

In March 2024, we published our Climate Action Plan, which detailed our path to decarbonization. The plan is designed to be flexible and adaptable, recognizing that it is an evolving framework rather than a finalized course of action. While the plan currently prioritizes electrification as the most probable path, we maintain a technology-neutral stance considering that one solution might not fit all processes and operations, we remain open to integrating various economically efficient technologies and regularly update the plan to reflect market advancements.

With the introduction of the Centinela Second Concentrator Project, which is expected to commence operations in 2027, we anticipate an initial rise in absolute emissions. However, the ongoing adoption of modern, low-carbon technologies is expected to lead to a reduction in absolute emissions over time, even as copper production increases.

To achieve the Group's Scope 1 and 2 emissions reduction targets, we expect to gradually deploy innovation and modern technology throughout each operation, as technologies develop and become commercially viable. Two specific technologies are under consideration for reducing diesel consumption. The first is a transition to trolley-assist technology for haul trucks, with a pre-feasibility study underway to validate the overall benefits of this technology, and to assess its operating costs and additional operational factors such as changes to existing mine designs. The second is a potential pivot to battery technology across the Group's fleet of haul trucks, with a transition timeframe dependent on the availability of charging solutions (dynamic and stationary) at a competitive cost. To date, we have adopted, or are trialling, a range of modern technologies to reduce emissions, principally focusing on diesel consumption, including:

- the adoption of autonomous mining equipment at Centinela, which is expected to deliver long-term efficiency savings in fuel consumption and productivity;
- a trial of trolley-assist technology at Los Pelambres, with test work commencing in 2025;
- battery-electric buses for transporting our workforce, together with electric light vehicles and ancillary mining equipment; and
- the trial of hydrogen use in our Transport division, with the delivery of South America's first hydrogen locomotive in 2024.

Safety and Occupational Health Strategy

Our Safety and Occupation is based on the following fundamentals:

(1) *Health and safety risk management*: workers at all levels are trained to identify hazards and controls, so that all jobs are carried out safely. Workers at all levels understand their role and responsibilities to plan and execute any high-risk tasks according to standardized working practices, where tools, equipment and controls are key to safe production.

(2) *Leadership*: all employees and contractors are health and safety leaders and we demonstrate our commitment through each individual's responsible behavior.

(3) *Contractor management*: our contractors are an integral part of our safety team and safety culture, which we work together to improve. We rely on our contractors and work together as a team, ensuring our working practices meet the highest health and safety standards.

(4) *Learning*: we report and investigate all high-potential unwanted health and safety events and share all learnings to ensure no repeats; we share good practices to standardize what we do well.

The Strategy strives to achieve our four main goals: zero fatalities, zero occupational illnesses, the development of a resilient culture; and the automation of hazardous processes.

There were no fatalities in 2022, 2023, 2024 or in the six-month period ended June 30, 2025.

In the six-month period ended June 30, 2025, the Group recorded 8 high-potential incidents ("HPIs"), compared to 13 in the six-month period ended June 30, 2024, with the corresponding incidence rate for HPIs decreasing to 0.04 during the period (six-month period ended June 30, 2024: 0.08). In 2024, the Group recorded 21 HPIs, including zero HPIs at Zaldívar. We began using HPIs as a key safety indicator in 2020, after tightening our classification of such incidents, as they allow us to learn through investigations about what failed and why, and to implement effective corrective actions to prevent the repetition of such events. HPI targets are included as a key performance indicator (KPI) in Performance Agreements to promote and reinforce a preventive and resilient safety culture.

The Group's Lost Time Injury Frequency Rate ("LTIFR") was 0.47 per million hours worked in the six-month period ended June 30, 2025 a 30% decrease compared to the six-month period ended June 30, 2024. The Group's LTIFR in 2024 decreased by 10% to 0.57 per million hours worked, compared to 2023.

The management of health and safety-related risks is led by constant dialogue between the areas where high-potential risks have been identified, with involvement from key individuals in each area. This program's goal is to prevent (a) fatalities, (b) HPIS and (c) the exposure of people to occupational health risks. Additionally, we focused on the critical controls required for the consolidation of the Planned Task Risk Assessment tool, which we have introduced for all routine and non-routine baseline tasks. This framework is applicable to 100% of our operations and the internal workforce, in addition to contractors. We also reaffirmed that responsibility for this process lies with the owners of each identified risk and the control owners of the organization's operational areas. A baseline of occupational health risks has now been identified as a preventive measure to avoid occupational illnesses in future periods, and the effectiveness of critical controls has been verified at each of the Group's mining operations.

The number of individuals with high-risk indicators of occupational health conditions (noise) fell by 93% to 10 in 2024, with the detection of both temporary and permanent conditions decreasing by 100% and 75%, respectively. These improvements are linked to the Group's recent success in reducing exposure levels to factors such as noise and dust. In 2024, there were three cases of permanent occupational illness due to hearing loss, comprising two employees and one contractor. Workers have access to periodic occupational exams and various monitoring programs according to their associated risks (for example, exposure to silicosis, hypobaric conditions, sleep hygiene), in addition to the annual influenza immunization campaign. Each company within our Mining division has its own joint working committee that meets once a month with representatives from each contractor company, to advise and instruct staff on the correct use of protective equipment. Additionally, the committees monitor compliance with prevention, hygiene and safety measures.

Social and Community Programs

We seek to build sustainable long-term relations with the communities near our operations and to contribute to their economic and social development. As part of our commitment to local communities, we implemented a Social Management Model at our four mining operations. Our Social Management Model is based on four lines of action: (1) open and collaborative relationships with stakeholders through a multi-stakeholder methodology; (2) effective implementation of social investments, (3) measurement of the impact of our social investments; and (4) monitoring and management of social and community risks. Each of these components has its own standard, to ensure the correct application of principles, methodologies and relationship practices in the territories where our operations are located.

This model serves as a vehicle through which we apply common engagement principles, methodologies and practices across our operations, measure impacts and manage risks. Our engagement with local stakeholders is based on the principles of dialogue, collaboration, traceability, excellence and transparency. In the engagement process, we distinguish three spheres of action: institutional, or how we relate to national, regional and local authorities; territorial, or relations with communities in our areas of influence; and operational, or how our operations impact relations with stakeholders and how they perceive the Company.

In the year ended December 31, 2024, we invested \$49 million on social projects near our operations, in line with social investment in 2023. We use a multi-stakeholder, open dialogue engagement approach to ensure that local communities participate in the selection of our social investment projects through our Somos Choapa (We are Choapa) and Diálogos para el Desarrollo (Dialogues for Development)

engagement mechanisms in the Choapa Province and the Antofagasta Region respectively. Projects and programs are usually implemented in alliance with third parties, such as organizations and state institutions.

A significant aspect of Los Pelambres' community engagement is the Somos Choapa Program, which supports the Choapa Valley, where our mining and processing operations are located. This program celebrated its tenth year of operation in 2024: a decade in which the program established work agreements for the development of the various communities. Projects have been agreed and managed with municipal teams, social organizations, technical teams and allied foundations in a participatory and transparent manner. During the decade of activities, we have overseen and invested in more than 150 projects related to water supply, education and culture, health, and community infrastructure. Over this period, support has been provided to more than 6,400 local entrepreneurs and over 8,000 local individuals that have the right to irrigate land for activities such as farming. During 2024, to mark Somos Choapa's tenth anniversary, the Group presented the achievements and lessons learned from this program at the Regional Commitment Seminar in Coquimbo, an event collectively organized by a local newspaper (El Día), the Regional Development Corporation (CIDERE), Chile's Catholic University of the North, and Los Pelambres.

Somos Choapa includes programs to support water consumption and sanitation and the efficient use of water resources, including the AProxima and Confluye program. For example, during 2024, as part of the AProxima initiative, 144 water sensors were installed across the communities of Canela, Illapel, Los Vilos and Salamanca to allow for data collection in 2025 in order to optimize water management practices and usage. The Confluye Program operates in conjunction with the local authority that manages water use in the local area ("*Junta de Vigilancia de los ríos Choapa, Chalinga e Illapel*"), with an additional Ch\$300 million (cumulative) investment (approximately \$350,000) made through this program to improve water transport to local communities through the construction of canals. We also co-finance the public-private water research consortium *Quitai Anko*, led by Chile's University of La Serena. This initiative's original five-year plan started in 2019 and has now been expanded to include the rest of the Coquimbo Region and the neighboring regions of Atacama and Valparaíso, which are suffering similar levels of water stress.

In addition, to help with incorporating local community views into the planning process for major projects, the Chilean Environmental Assessment Service allows project owners (such as Antofagasta) to set up voluntary participation processes with the stakeholders involved, typically communities and social organizations. During 2024, progress was made in Early Citizen Participation for the Los Pelambres mine life extension, ahead of an EIA presentation in the fourth quarter of 2024. As part of the voluntary process we organized "open house" community consultation sessions in Salamanca, Illapel, Chillepin, Los Vilos, Caimanes and Pupio.

Risk Management

Mining is, by its nature, a long-term business and as part of the key risks update and evaluation process we identify emerging risks, which could impact our sustainability in the long run, even if there is limited information available at the time of the evaluation. Overseeing these risks protects our business, people and reputation.

We maintain a risk register through a robust assessment of the potential key risks that could affect the organization's performance. This is used to ensure that key risks are identified in a comprehensive and systematic way. The key risks, together with related mitigation techniques, are periodically presented to our Audit and Risk Committee and are in line with the organization's strategic priorities of People, Safety and Sustainability, Competitiveness, Growth and Innovation. In addition, all five of these strategic pillars are supported by our corporate governance structures.

For each of the categories of risks identified as of the end of 2024, we have preventive and mitigation measures in place:

Talent Management and Labor Relations. We invest in developing our employees' capabilities through comprehensive training and career development programs, alongside initiatives that expand the talent pool. Our training initiatives are designed as a preventive measure to enhance skills and promote safety, productivity and inclusive leadership across the organization. Aligned with our diversity and inclusion policy, we aim to increase retention and representation of women, people with disabilities, and employees with international experience across the organization. To attract and retain key talent, our performance management system incorporates competitive reward and remuneration structures, coupled with opportunities for personal and professional growth. Additionally, our succession management system identifies and develops internal candidates for leadership positions. This internal mobility serves as a risk mitigation measure, reducing the risks associated with talent shortages, while enabling us to recruit external talent when necessary. Implementation of our diversity and inclusion strategy has progressed, increasing the proportion of women in our workforce to 26.7% as at June 30, 2025, 3.1 percentage points higher than in 2023. We seek to identify and address labor issues that may arise throughout the period covered by the labor agreements and to anticipate any potential issues in good time. There are long-term labor agreements (usually three years) in place with all the unions at our operations, which helps ensure labor stability. During 2024, a three-year labor agreement was successfully negotiated with a workers' union at Centinela. The Mining division has four labor agreements due to expire in 2025, and therefore four processes of collective bargaining are planned in the second half of 2025. These include three supervisors' unions at Zaldívar, Los Pelambres and Antucoya, and one workers' union at Antucoya. Employees of our contractor companies are an important part of our workforce and under Chilean law fulfill the same duties and are subject to the same responsibilities as our own employees. We treat contractors as strategic associates and build long-term, mutually beneficial relationships with them.

Safety and Health. We seek continuous improvement of our safety and health risk management procedures, with particular focus on the early identification of risks and the prevention of fatalities and incorporating technology and innovation to reduce workers' exposure to safety and health risks. Our four main goals are: zero fatalities; zero occupational illnesses; the development of a resilient culture; and the automation of hazardous processes. All contractors are required to comply with our Occupational Safety and Health Plan, which is monitored through monthly reports and is supported by regular training and awareness campaigns for employees, contractors, employees' families and local communities, particularly with regard to road safety. We require all staff in defined safety-critical roles to satisfy at least the minimum qualifications, to have the necessary experience for their role and to complete any required training prior to commencing their work activities.

Environmental Management. We have a comprehensive approach to incident prevention, which is aligned with the environmental management model applied by our operations and projects in progress. Risks are assessed, monitored and controlled to achieve our goal of zero events with significant environmental impact. We work to raise our employees' and contractors' awareness by providing training to promote operating excellence related to the environment in which we operate. The potential environmental impact of a project is a key consideration when assessing its viability, and we encourage the integration of innovative technology in the project design to mitigate such impacts. We prioritize the efficient use of natural resources by using sea water, favoring the use of renewable power, and achieving higher rates of reuse and recovery of water by using thickened tailings technology. We recognize that environmental performance is key to our ability to generate social value and we perform regular risk assessments to identify our potential impact and develop preventive and mitigating strategies. Each site regularly updates their environmental emergency preparedness and detailed closure plans, complying with current legislation and applicable international guidelines. In the event of an environmental operational event, we strive to ensure that all appropriate control, containment or corrective measures are taken immediately. We have continued to strengthen the environmental management model, with a deployment plan that considers engagement, learning and recognition activities for prominent workers or groups within the organization, highlighting the execution of three cycles of cross-visible leadership. They review the

strategic environmental risk among operations and the learning cycles established after environmental operational events, in order to articulate preventive environmental management.

Climate Change. We recognize that climate change is a threat to human life and the planet as we know it today. We constantly seek to identify risks associated with climate change and to implement actions to adapt to and mitigate their potential impact, such as increasing our stocks of strategic resources. For each risk evaluated as “High” or “Extreme” we produce specific action plans and strategies. Our Climate Change Strategy seeks to strengthen our capacity to adapt to and mitigate climate change. This enables us to take early action to manage the resulting risks and opportunities in such a way as to mitigate the effects of climate change and adapt to new scenarios. We measure and report our Scope 1, 2 and 3 greenhouse gas emissions and have committed to realistic reduction targets through a cost-effective decarbonization roadmap. We continue to seek ways to decarbonize our operations and this requires greater investment in innovative solutions, including developing low-carbon technology, which can increase operating costs. Since April 2022, all of our power supply contracts for our mining operations are from renewable sources. This allowed us to accelerate the achievement of our target of reducing Scope 1 and 2 emissions by 30% compared with 2020, equivalent to 730,000 tCO₂e. We also aim to achieve carbon neutrality by 2050, or sooner if technology permits. In 2024, we established new targets: reducing Scope 1 and 2 emissions by 50% by 2035 compared with 2020, and engaging with the industry to achieve a 10% reduction in Scope 3 emissions by 2030.

Community Relations. We contribute to the development of communities in the areas in which we operate, starting with their assessment of the existing situation and their specific needs, while looking to develop long-term, sustainable relations and evaluating the impact of our contributions. We work to communicate clearly and transparently with local communities. For example, we have strengthened community programs related to water for human consumption and irrigation to mitigate the impact of the drought in the Province of Choapa. In addition, we seek to stimulate the generation of economic, social and human capital in the regions where we operate by promoting local employment, fostering local suppliers and offering education and training opportunities. We run various programs to support local entrepreneurs and micro and small businesses. We have launched a community grievance mechanism management system to report any issues caused by our operations on neighboring communities.

Political, Legal and Regulatory. We monitor proposed changes in bills of law and government policies and regulations, particularly in Chile, and belong to several associations that engage with governments on these matters. This helps to improve our internal processes and means that we are prepared to meet any new regulatory requirements. We constantly monitor political, legal and regulatory developments affecting our operations and projects and we assess political risk as part of our evaluation of potential projects, including the nature of any foreign investment agreements.

Ethical Conduct. The Group’s Compliance Model applies to both employees and contractors. It is clearly defined and is communicated regularly through internal channels. Its documents are available on the Group’s website. New employees are trained in the Compliance Model as part of their induction program. The Group’s Crime Prevention Model ensures compliance with anti-bribery and anti-corruption laws in the United Kingdom and Chile and is certified by an external entity. In September 2024, the “Ley de Delitos Económicos” (Economic Crimes Law) came into force in relation to legal entities. The new legislation renders companies potentially accountable for a broad spectrum of offenses. We have reviewed, and where necessary updated, our risk matrix to incorporate the offences established in the new law, and we are confident that we have robust controls in place in every operation.

Operations. Lessons learned from previous cases of community concern have improved the resilience of our operations and minimized the impact of incidents this year. Many years of drought at Los Pelambres has reduced production in recent years. This climate change impact is being mitigated with the

desalination plant in Los Pelambres, which became fully operational during 2024. The fourth concentrator line at Los Pelambres also became fully operational during 2024.

Tailings Storage. Our TSFs are constantly monitored, and all relevant information is provided to the authorities, regulating bodies and the communities that could be affected. We manage our TSFs using data, modelling, and construction and operating methods validated and recorded by qualified technical teams and reviewed by independent international experts, whose recommendations we implement to strengthen the control environment. Risk management includes timely risk identification, control definition and verification. Our controls are based on the consequences of the potential failure of the tailings facilities. The Global Industry Standard on Tailings Management (GISTM) was published in 2020. We are implementing this standard at all our operations. Our El Mauro and Centinela TSFs are in compliance with this standard (based on self-assessment) since August 2023. Our tailings policy sets out the guiding principles for the management of our TSFs and any potential or actual impact on the environment, using sound governance and open communication with stakeholders.

Strategic Resources. Contingency plans are in place to address any short-term disruptions to strategic resources and maintain our security of supply. We negotiate early with suppliers of key inputs to ensure continuity. Certain key supplies are purchased from several sources to mitigate potential disruption arising from exposure to a single supplier. To achieve cost competitiveness, we endeavor to buy the highest possible proportion of our key inputs, such as fuel and tires, on as variable a price basis as possible and to link costs to underlying commodity indices where this option exists. We maintain a rigorous, risk-based supplier management framework to ensure that we engage solely with reputable product and service providers, keeping in place the controls necessary to ensure the traceability of all supplies (including the avoidance of any conduct related to modern slavery). We are committed to incorporating sustainable technological and innovative solutions, such as the use of sea water and renewable power when economically viable, to mitigate exposure to potentially scarce resources.

Cyber Security. Our information security management model provides defensive structural controls to prevent cyber risks and mitigate their effects. It employs a set of rules and procedures, including a Disaster Recovery Plan, to restore critical IT functions in the event of an attack. Our systems are regularly audited to identify any potential weaknesses or threats to our assets, and specific systems are in place to protect them and our data. We have further strengthened our protective controls and regularly communicate with users to prevent cyber attacks.

Liquidity. Security, liquidity and return are the order of priorities for our treasury investment strategy. We maintain a strong and flexible balance sheet, consistently returning capital to shareholders while leaving sufficient funds to progress our short-, medium- and long-term growth plans. This gives us the financial flexibility to take advantage of opportunities as they may arise. We have a risk-averse investment strategy, managing our liquidity by maintaining adequate cash reserves and revolving credit facilities through the periodic review of forecast and actual cash flows. We choose to hold surplus cash in demand or term deposits or highly liquid investments.

Copper and By-Product Prices and Exchange Rates. We consider exposure to commodity price fluctuations an integral part of our business and our usual policy is to sell our products at prevailing market prices. We monitor commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows. Very occasionally, when we feel it is appropriate, we use derivative instruments to manage our exposure to commodity price fluctuations. We run our business plans under various commodity price scenarios and develop contingency plans as required. In 2024, we implemented a zero-cost collar hedging strategy for Centinela in order to manage Chilean peso-denominated expenses associated with the Centinela Second Concentrator Project, protecting its Chilean peso-denominated capital expenditures.

Growth of Mineral Resource Base and Opportunities. We conduct rigorous assessment processes to evaluate and determine the risks associated with all potential business acquisitions and exploration opportunities, including stress-test scenarios conducted for sensitivity analysis. Each assessment includes a country risk analysis (including corruption) and analysis of our ability to operate in a new jurisdiction. Our exploration activities continued to be focused on the Americas and our risk exposure level was unchanged. During 2024, two new exploration joint ventures, covering seven projects to be studied, were signed with companies with interests in Peru. We have also made significant progress in obtaining social and environmental permits to conduct drilling campaigns during 2025 and 2026.

Project Execution. We have a project management system to ensure that best practices are applied at each phase of a project's development. The project management system provides a common language and standards to support the decision-making process by balancing risk with the benefits of growth. In addition, all geometallurgical models are reviewed by independent experts. Our projects are developed in accordance with the practices set out in our Asset Delivery System (ADS), including the Functional Quality Assurance Review (FQAR), and are reviewed by external experts.

Innovation and Digitization. We seek value-capturing innovations that realize cost savings and/or improve the efficiency, reliability and safety of our processes while supporting our corporate strategic pillars. We maintain partnerships with academic institutions and companies specializing in technology and engineering – including peers, when there is no competitive barrier – to maximize the potential for improvements in our processes and systems. We also dedicate resources to evaluating and implementing innovations which have the potential to positively impact our business and growth options.

Employees and Contractors

As of December 31, 2024, our workforce consisted of 29,877 individuals, including employees and contractors. This represented a 0.6% increase compared with 29,705 individuals as of December 31, 2023. More than 99% are in Chile and approximately 55% are based in the Antofagasta and Coquimbo Regions, where all of the Group's operating companies are located. Approximately 27% of the workforce are Group employees and 73% are employees of contractor or subcontractor companies.

Our mining operations have 11 unions: four in Centinela, three in Los Pelambres, two in Zaldívar and two in Antucoya. 5,046 of our workers are covered by collective agreements, representing 77% of our workforce. In our Transport division, we have five unions present, representing 72% of the workforce. During 2024, we concluded a three-year labor agreement with a workers' union at Centinela, with discussions completed ahead of schedule. The Mining division has four labor agreements due to expire in 2025, and therefore four processes of collective bargaining are planned in the second half of 2025. These include three supervisors' unions at Zaldívar, Los Pelambres and Antucoya, and one workers' union at Antucoya. We recognize employees' rights to union membership and collective bargaining, and in Chile freedom of association is protected by law. Chilean legislation also prohibits forced and child labor, limits working hours and includes 15 days' annual paid leave and a minimum wage.

During 2024, Chilean authorities enacted two new laws that changed operating practices: the Labour Code amendments relating to workplace harassment (Law No. 21,643) and the phased adoption of the 2023 Labour Law (Law No. 21,561) reducing the working week in 2024 to 44 hours, and gradually progressing to 40 hours in 2028.

Legal Proceedings

We are subject from time to time to additional legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. We cannot predict the outcome of individual legal actions or claims or complaints or investigations. As a result, we may become subject to liabilities

that could affect our business, financial position and reputation. Litigation is inherently unpredictable and large judgments may at times occur. We may incur, in the future, judgments or enter into settlements of claims that could lead to material cash outflows. We consider that no material loss is expected to result from the legal proceedings, claims, complaints and investigations that we are currently subject to. Provisions are recognized when it is probable that we will be required to settle an obligation arising as a result of a legal claim against us.

MANAGEMENT

Our Board is responsible for the leadership and strategic direction of our business and oversight of our performance. Our Board is currently comprised of 11 directors. Our directors seek re-election annually at the annual general meeting of shareholders. Except for Ignacio Bustamante, who was appointed by the Board as a director on June 26, 2025 with effect from July 1, 2025, all of our directors were re-elected at the annual meeting of shareholders held on May 8, 2025.

Our Board of Directors

Name	Position
Jean-Paul Luksic	Non-Executive Chairman
Francisca Castro	Senior Independent Non-Executive Director
Ramón Jara	Non-Executive Director
Juan Claro	Non-Executive Director
Andrónico Luksic C.	Non-Executive Director
Tony Jensen	Independent Non-Executive Director
Michael Anglin	Independent Non-Executive Director
Eugenia Parot	Independent Non-Executive Director
Heather Lawrence	Independent Non-Executive Director
Tracey Kerr	Independent Non-Executive Director
Ignacio Bustamate	Independent Non-Executive Director

Jean-Paul Luksic. Mr. Luksic has over 30 years of experience with the Company. Prior to his appointment as Executive Chairman in 2004, he was Chief Executive Officer of our Mining division, in which capacity he oversaw the development of the Los Pelambres and El Tesoro mines. He became our Non-Executive Chairman in September 2014. He is a member of the board of the Consejo Minero, the industry body representing the largest mining companies operating in Chile, and is a Non-Executive Director of Quiñenco S.A. and other listed companies in the Quiñenco group, including Banco de Chile and Sociedad Matriz SAAM S.A. He is also a member of the board of Centro de Estudios Públicos, a Chilean not-for-profit academic foundation. He holds a B.Sc. degree in Management and Science from the London School of Economics and Political Science.

Francisca Castro. Mrs. Francisca Castro was appointed an independent Non-Executive Director in 2016. She is a commercial engineer with more than 25 years of experience in industry, including mining, energy, finance and public-private infrastructure projects in the United States and Chile. She was Executive Vice-President of Business and Subsidiaries at Codelco, General Coordinator of Concessions at the Chilean Ministry of Public Works and has held various roles within the Chilean Finance Ministry and the World Bank. She is currently a member of the Chilean Pension Funds Risk Classification Committee and a director of Conexión Kimal-Lo Aguirre S.A., a power transmission Company in Chile.

Tony Jensen. Mr. Jensen was appointed an independent Non-Executive Director in 2020. He is a mining engineer with over 35 years of mining experience in the United States and Chile in operational, financial, business development and management roles. Most recently, he served as President and Chief Executive Officer of Royal Gold, Inc. Prior to joining Royal Gold, Inc. in 2003, he held various senior operating positions in the United States and Chile, including, Mine General Manager of the Cortez joint venture in Nevada, and in treasury, business development and a wide range of other operating roles with Placer Dome in the United States and Chile. He previously was a director of Royal Gold Inc. and Golden Star Resources Limited and was previously a member of the University Advisory Board for the South Dakota School of Mines and Technology. He is currently a director of Black Hills Corporation.

Ramón Jara. Mr. Jara was appointed a Non-Executive Director in 2003. He is a lawyer with wide-ranging legal and commercial experience in Chile. He is Chairman of the Fundación Minera Los Pelambres and a director of the Fundación Educacional Luksic, both charitable foundations in Chile. He is a Member of the Advisory Council of Centro de Estudios Públicos, a not-for-profit academic foundation in Chile. He is also the Member of the Board of the Centre of Arbitration of the Chilean Chamber of Commerce and Chairman of the Chile-Japan Business Committee of Sociedad de Fomento Fabril (Chilean Industrial Council) and a Member of the APEC Business Advisory Council (ABAC). He previously was a partner at Jara del Favero from 1976 until 2004. He also served as a director of Empresa Nacional del Petróleo.

Juan Claro. Mr. Claro was appointed a Non-Executive Director in 2005. He has extensive industrial experience in Chile, and has played an active role in the representation of Chilean industrial interests within the country and internationally. He is a former Chairman of the Sociedad de Fomento Fabril, the Confederación de la Producción y del Comercio, the Consejo Binacional de Negocios Chile-China and Energía Coyanco S.A. He is currently Chairman of Coca-Cola Andina S.A., and is a director of several other companies in Chile, including Melón SA and Agrosuper SA. He is also a member of the board of Centro de Estudios Públicos, a Chilean non-profit academic foundation, and is a country adviser for Goldman Sachs.

Andrónico Luksic. Mr. Luksic was appointed a Non-Executive Director in 2013. He has extensive experience across a range of business sectors throughout Chile, Latin America and Europe. He was previously the Chairman of Quiñenco S.A. and of Compañía Cervecerías Unidas S.A. and was the Vice-Chairman of Banco de Chile and Compañía Sudamericana de Vapores S.A., all of which are listed companies in the Quiñenco group. He is currently a director of Nexans S.A., a company listed on Euronext Paris and part owned by Quiñenco S.A. He is also currently a member of the International Business Leaders Advisory Council for the Mayor of Shanghai, the Global Board of Advisors at the Council of Foreign Relations, the Brookings Institution's International Advisory Council and the Chairman's International Advisory Council of the Council of the Americas.

Michael Anglin. Mr. Anglin was appointed an independent Non-Executive Director in 2019. He is a mining engineer with over 30 years of experience in base metals, including the development, construction and operation of large-scale mining operations in the Americas. He spent 22 years with BHP Billiton Limited, most recently serving as Vice President of Operations and Chief Operating Officer of the Base Metals group based in Santiago, Chile. He previously was a director of EmberClear Corp. He is currently a Director of SSR Mining Inc. and adviser to IntelliSense.io. He graduated with a Bachelor of Science degree with honors in Mining Engineering from the Royal School of Mines, Imperial College, London, and attained a Master of Science degree from Imperial College, London.

Eugenia Parot. Mrs. Parot was appointed an independent Non-Executive Director in 2021. She is a civil biochemical engineer with over 35 years of experience working for leading engineering and consulting companies providing services to some of the largest mining projects in Latin America in the areas of environment, sustainability and mine waste management. Previously she held various senior positions, including Vice President of Latin America, Regional President for South America and Managing Director for Chile, Golder Associates, director on Golder's holding company board, member of the Audit and Finance and Investments Committees and member of the boards of Golder South America, Chile, Peru and Argentina.

Heather Lawrence. Ms. Lawrence was appointed an independent Non-Executive Director in 2023. She is a qualified chartered accountant with over ten years of experience working in senior roles within corporate finance and investment banking, with particular experience across industrial and transportation businesses. She is currently a director and audit committee chair of Melrose Industries plc. She previously was a director of Wizz Air Holdings and a director and audit committee chair of FlyBe Group plc.

Tracey Kerr. Ms. Kerr was appointed an independent Non-Executive Director in 2024. She is a geophysicist with extensive experience in safety, sustainability, operations and exploration in global mining businesses. She is currently a director of Hochschild Mining plc, Jubilee Metals Group plc and Weir Group plc. She was previously a director at Polymetal International plc. She previously acted as a senior executive at major mining companies including Anglo American, Vale and BHP.

Ignacio Bustamante. Mr. Bustamante was appointed an independent Non-Executive Director in 2025. Mr. Bustamante brings over 30 years of mining senior leadership experience in the Americas, with a focus on corporate strategy, operational excellence, sustainability and business development. He currently serves as Head of Base Metals at Appian Capital Advisory LLP. Previously, Mr. Bustamante was CEO and Executive Director of Hochschild Mining plc, a London-listed silver and gold mining company with operations across the Americas. Prior to that, he held several senior executive positions in the Hochschild Mining plc group in areas including operations, finance, and business development. He has also served as a Non-Executive Director at Aclara Resources, Scotiabank Peru, and Profuturo AFP in Peru. Mr. Bustamante holds dual Bachelor of Science degrees in Business and Accounting from Universidad del Pacífico in Peru, and an MBA from Stanford University.

Corporate Governance

Structure of the Board of Directors

The Board consists of 11 directors, comprising the Non-Executive Chairman, Jean-Paul Luksic, and ten Non-Executive Directors. Seven of these ten Non-Executive Directors are considered to be independent – Francisca Castro, Michael Anglin, Tony Jensen, Eugenia Parot, Heather Lawrence, Tracey Kerr and Ignacio Bustamante. We believe that a board comprising exclusively Non-Executive Directors is valuable both in terms of providing a range of outside perspectives and in encouraging robust debate with, and challenge of, the Company's executive management, and is also in line with common Chilean practice.

We are satisfied that the balance of the Board in terms of technical skills, educational and professional experience, nationalities, personalities, cultures and perspectives limits the ability of an individual or small group of individuals to dominate the Board's decision-making process.

All new directors that are appointed to the Board receive a thorough induction. This typically includes briefings on our operations and projects, meetings with the Chairman, other Directors and senior executives, briefings on the legal, regulatory and other duties and requirements of the director of a UK-listed company, as well as visits to our key operations.

We provide our Directors with the necessary resources to develop and update their knowledge and capabilities. In particular, the Directors are regularly updated on our business, the competitive and regulatory environment in which we operate, and other changes affecting us as a whole.

The Board and its committees receive from management an analysis of the matters for consideration in advance of each meeting. They also receive regular reports on key metrics in respect of operational, financial, environmental and social performance, as well as key developments in our exploration and business development activities, information on the commodity markets, our talent management activities and analysis of our financial investments.

All Directors have access to management and to such information as they need to discharge their duties and responsibilities fully and effectively. Directors are also entitled to seek independent professional advice concerning the affairs of the Company at our expense.

We have appropriate insurance in place to cover the Directors against legal action against them.

Appointments to the Board of Directors

The Board's succession plan is reviewed formally once a year and addresses Board size, committee structure and composition, skills on the Board, Board and committee members' tenure, independence of Directors, diversity (including gender), Board roles, Board policies and individual succession plans for all Board and committee positions. Succession plans include contingency plans in the event of an unexpected departure, medium-term plans for orderly replacement of current Board members and long-term plans linking strategy with the skills needed on the Board in the future.

In making nominations to the Board, the Nomination and Governance Committee considers the skills, experience and expertise on the Board at least annually. This process enables the Board and the Committee to identify the skills required when making new appointments to the Board and to instruct search firms to identify candidates who fit these criteria. The Nomination and Governance Committee assesses the candidates based on the following criteria: independence; experience in executive roles; mining, power, transport and water experience; corporate governance knowledge; financial and legal acumen; executive compensation knowledge; experience in Chile and Latin America; project construction experience; sustainability, government relations and communications skills; and whether they have sufficient time to devote to the role.

When making new appointments of Directors to the Board, the Nomination and Governance Committee has appointed independent external search consultancies, who do not have any connection to the Company, to assist with searches for Board candidates. In recent years, the Committee has appointed Spencer Stuart, a signatory to the voluntary code of conduct for executive search firms to address gender diversity on corporate practices for related search processes, to assist with the searches that resulted in the appointment of independent Non-Executive Directors Heather Lawrence, Tracey Kerr and Ignacio Bustamante.

The Company's Diversity and Inclusion Policy reflects the Board's belief in the benefits of diversity and its conviction that more diverse companies attract and maintain the best talent and achieve stronger overall performance. The Board considers a broad definition of diversity when setting policies, and appointing Directors and staffing its Committees (including the Nomination and Governance, Audit and Risk and Remuneration and Talent Management Committees), including gender, disability, nationality, educational and professional experience, personality type, culture and perspective.

The Committee has worked hard to ensure that the Board and its Committees are suitably diverse according to these criteria. The Board reviews its effectiveness in meeting diversity goals each year as part of the annual Board and Committees' evaluation process.

The Company has met the Parker Review target and more than half the Board members identify as being from an ethnic minority background according to the Parker Review and UK Listing Rules criteria. The Group's activities are focused in Chile where ethnicity profiles and representation in society differ significantly from those in the UK. Nevertheless, the Board recognizes that the mining industry is international, and in support of its vision and strategy also includes Directors from the United Kingdom, United States and Australia.

Committees

The Board has five standing committees: the Nomination and Governance Committee, the Audit and Risk Committee, the Remuneration and Talent Management Committee, the Sustainability and Stakeholder Management Committee and the Projects Committee.

Nomination and Governance Committee

The members of the Nomination and Governance Committee are Jean-Paul Luksic (Chair), Francisca Castro and Tony Jensen. All the Committee members, except for Jean-Paul Luksic, are considered by our Board to be independent.

The purpose of the Nomination and Governance Committee is to support the Board in ensuring that we have effective governance structures in place and that the Board and its Committees are appropriately staffed and operate effectively.

The Committee is responsible for monitoring trends, initiatives and proposals in relation to corporate governance, overseeing and facilitating annual reviews of the Chairman and the Board, including externally facilitated reviews. The Committee also leads the process of identifying suitable candidates to fill vacancies, nominating such candidates for approval by the Board, ensuring that appointments are made on merit and against objective criteria and overseeing CEO succession plans.

The Chair of the Committee reports to the Board following each Committee meeting, allowing the Board to understand, and if necessary discuss, matters considered in detail by the Nomination and Governance Committee. The Committee meets as necessary and at least twice a year.

The Committee held four meetings during 2024.

Audit and Risk Committee

The members of the Audit and Risk Committee are Tony Jensen (Chair), Heather Lawrence, Tracey Kerr and Ignacio Bustamante. All the Committee members are considered by our Board to be independent. This Committee assists our Board in meeting its responsibilities relating to financial reporting and control over risk management. The Committee is responsible for overseeing our relationship with the external auditors and monitoring the effectiveness of our internal audit and risk management functions.

The Committee meets as necessary and at least two times a year. The external auditors are in attendance for the bulk of the meetings. There is a rolling agenda that covers regular matters such as the review of the year-end financial statements and half-yearly financial report, planning for the year-end reporting and external audit processes, monitoring our tax strategy and processes, reviewing the Internal Audit work plan and reports from the risk management function, as well as providing time for *ad hoc* matters requiring the Committee's consideration.

The Committee monitors the integrity of our financial reporting. This includes responsibility for reviewing the year-end and half-year financial reports, monitoring the overall financial reporting process, overseeing the external audit process and managing the relationship with our external auditor. The Committee also reviews and monitors the independence and objectivity of the Internal Audit function, including consideration of its resources, planned work and findings. The Committee assists the Board with its responsibilities in respect of risk management, including reviews of the Group's risk appetite and monitoring of key risks, and also monitors the Group's compliance processes and any significant compliance issues.

The Chair of the Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters considered in detail by the Committee.

The Committee held six meetings during 2024.

Remuneration and Talent Management Committee

The members of the Remuneration and Talent Management Committee are Francisca Castro (Chair), Michael Anglin, Eugenia Parot, Heather Lawrence and Ignacio Bustamante. All the Committee members are considered by our Board to be independent.

The purpose of the Remuneration and Talent Management Committee is to ensure that our remuneration arrangements support our strategic objectives and enable the recruitment, motivation, reward and retention of talent. The Committee may rely on outside advice on certain matters under its consideration.

The Committee is responsible for preparing and reviewing the appropriateness and relevance of the Company's Remuneration Policy. The Committee also reviews and approves the remuneration of the Chairman and reviews and approves the remuneration of our Chief Executive Officer, determining the performance-related elements of his compensation.

The Committee also is responsible for monitoring the level and structure of remuneration of the Executive Committee, reviewing and approving performance-related compensation and reviewing succession planning for the Executive Committee. The Committee also reviews workforce remuneration and related policies, including the diversity and inclusion policy, and the alignment of incentives and rewards with our culture. The Committee reviews any major changes in compensation policies applied across our companies that have a significant long-term impact on labor costs, and reviews compensation and talent management strategies.

The Committee actively participates in our talent management strategy, including the review, consideration and implementation of succession plans for members of the Executive Committee (excluding the Chief Executive Officer).

The Chair of the Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters considered in detail by the Committee. The Committee meets as necessary and at least twice a year. No Director is involved in setting his or her own remuneration.

The Committee held five meetings during 2024.

Sustainability and Stakeholder Management Committee

The members of the Sustainability and Stakeholder Management Committee are Eugenia Parot (Chair), Juan Claro, Ramón Jara, Michael Anglin, and Tracey Kerr.

The Sustainability and Stakeholder Management Committee supports the Board in the stewardship of our environmental, social responsibility and safety and health programs and makes recommendations to the Board to ensure that the considerations that are important for our stakeholders are taken into account in the Board's deliberations. The Committee reviews the framework of safety and health, environmental, human rights and social policies, monitors our performance in setting and meeting environmental, social and safety and occupational health commitments and provides guidance on the views and interests of stakeholders in relation to potential projects and other business matters. When necessary, the Committee escalates matters of concern to the Board.

The Chair of the Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters considered in detail by the Committee. The Committee meets as necessary and at least twice a year.

The Committee held six meetings during 2024.

Projects Committee

The members of the Projects Committee are Michael Anglin (Chair), Ramón Jara, Eugenia Parot and Tony Jensen.

The Projects Committee reviews all aspects of projects to be submitted for Board approval, highlighting key matters throughout the project development lifecycle for the Board's consideration and making recommendations to management to ensure that all projects submitted to the Board are aligned with our strategy and risk appetite.

The Committee adds an important level of governance and control to the evaluation of our projects and plays a key role in providing the Board with additional overview of the projects portfolio. This includes overview of the establishment of project development guidelines, which draw from best practice, industry experience and lessons learned from other projects.

The Chair of the Committee reports to the Board following each Committee meeting, allowing the Board to understand and, if necessary, discuss matters considered in detail by the Committee. The Committee meets as necessary and at least twice a year.

The Committee held eight meetings during 2024.

Senior Management

Name	Position
Iván Arriagada.....	Chief Executive Officer
Octavio Araneda.....	Chief Operating Officer
Mauricio Ortiz.....	Chief Financial Officer
Georgianne Barceló	Vice President of People and Organization
Rodrigo Bravo	Vice President of Sales
Jorge Bermúdez.....	Vice President of Projects
Katharina Jenny.....	Vice President of Corporate Affairs
René Aguilar	Vice President of Strategy and Innovation
Alejandra Vial	Vice President of Sustainability
Patricio Eneí	Vice President of Legal
Andrónico Luksic L.	Vice President of Development
David Fernández	General Manager – FCAB (Transport division)
Mauricio Larraín	Vice President of Planning and Technical Services
Alejandro Vásquez	Vice President of Los Pelambres Operations
Nicolás Rivera	General Manager– Centinela
Ivo Fadic.....	General Manager–Antucoya
María de la Luz Osses	Acting General Manager–Zaldívar

Iván Arriagada. Mr. Arriagada joined as Chief Executive Officer of Antofagasta Minerals in February of 2015 and was appointed CEO of Antofagasta in April 2016. Before joining the Company, Mr. Arriagada was the Chief Financial Officer at Codelco. Prior to that, he held various positions at BHP Billiton, including President of Pampa Norte, Vice President of Operations and Chief Financial Officer for the Base Metals division. He also worked for almost 20 years at Shell, in Chile, in the UK, Argentina and the United States. He holds a Master's degree in Science from the London School of Economics and an MBA from the Universidad Adolfo Ibáñez in Chile. He also has attended several executive education programs at Wharton, INSEAD and the MIT Sloan School of Management.

Octavio Araneda. Mr. Araneda was appointed Chief Operating Officer of Antofagasta in 2023. Before joining the Company, he held multiple roles with Codelco, including chief executive officer, Operations Vice President (Center-South and North) and General Manager El Teniente Division. Mr. Araneda is a mining engineer with a Master's Degree in Mineral Economics with more than 30 years of experience in the mining industry.

Mauricio Ortiz. Mr. Ortiz became our Chief Financial Officer in 2020. He previously served as Vice President of Finance of Antofagasta Minerals in 2019. Prior to this position, Mr. Ortiz worked at FCAB (our Transport division), where he served as General Manager for four years. He was previously a Business Development Manager at Antofagasta, a Finance Manager at Codelco – Chuquicamata, Business Development Principal at Rio Tinto plc, London and held various operating project roles at BHP Billiton. Mr. Ortiz holds an electrical engineering degree and a Master of Science (Electrical Engineering) from Universidad de Concepción in Chile and a Master of Science (Metals and Energy Finance) from Imperial College London.

Georgianne Barceló. Mrs. Barceló joined us in 2021 and was appointed Vice-President of People and Organization in 2022. Previously, she held various positions as Labor Relations Manager of Antofagasta Minerals, Corporate Director of People at Bupa Chile and Human Resources Vice President at Komatsu Latin America. Mrs. Barceló is a human resources specialist with a degree in Law and Masters in Strategic Management of Human Resources, with more than 20 years of experience in international and national companies across a range of sectors, including insurance and industry.

Rodrigo Bravo. Mr. Bravo joined us in 1999 and was appointed Vice President of Sales in 2024. Previously, he was a Managing Director at Antofagasta Minerals' Shanghai office, Deputy Commercial Director and Senior Sales Manager at Antofagasta Minerals and Manager of Copper Sales at Codelco. He is a civil industrial engineer with over 30 years' experience in the marketing of copper and copper by-products.

Jorge Bermúdez. Mr. Bermudez joined us as Vice President of Projects in 2024. He is a mining engineer with over 40 years of experience in open pit and underground mining and engineering. Before joining the Group, he previously held roles of Chief Operating Officer Latin America & Caribbean at Canadian consulting firm WSP Global, VP & GM M&M Americas at American international technical professional services firm Jacobs and numerous roles over 20 years at Fluor Corporation.

Katharina Jenny. Mrs. Jenny joined us in 2016 and was appointed Vice President of Corporate Affairs in 2024. Previously she held various positions as General Manager– FCAB (Transport division), Safety and Health Manager at Antofagasta Minerals, Productivity and Costs Manager, and Safety Manager at Codelco and various roles at BHP, including mine planning, safety and health and environment. She is a mining engineer and holds an MBA, with over 15 years of experience in mining.

René Aguilar. Mr. Aguilar joined as Vice President of Corporate Affairs and Sustainability in 2017 and was appointed as Vice President of Strategy and Innovation in 2024. Before joining us, Mr. Aguilar worked at Anglo American in London as Group Head of Safety. Previously, Mr. Aguilar held the position of Vice President of Corporate Affairs and Sustainability at Codelco and Health and Safety Director at the International Council on Mining and Metals in London.

Alejandra Vial. Mrs. Vial joined us in 2019 and was appointed Vice President of Sustainability in 2024. Previously, she was Corporate Environment Manager of Antofagasta Minerals, Environmental and Permitting Director of Barrick Gold Chile and Sustainability, Safety and Occupational Health Manager at Codelco's Projects Vice-Presidency. She is an agronomist with over 25 years' experience in mining, including in sustainability, environment, health and safety and communities.

Patricio Enei. Mr. Enei joined Antofagasta Minerals as Vice-President of Legal in 2014. Before joining us, Mr. Enei was General Counsel of Codelco from 2011 to 2014 and Corporate Affairs Manager of Minera Escondida from 2010 to 2011. He worked as a Senior Lawyer at BHP Billiton in Chile, as Chief Legal Counsel at Minera Doña Inés de Collahuasi, at the Instituto de Normalización Previsional and in private practice. He holds a law degree from the University of Concepción and a combined MBA from the Universidad de Chile and the University of Tulane in the U.S.

Andrónico Luksic L. Mr. Luksic joined us in 2006 and has held various positions, including corporate manager of Antofagasta Minerals and director of the Toronto office. Previously, he held various positions at Banco de Chile.

David Fernández. Mr. Fernández joined us in 2024. Before joining us, he held positions as the General Manager of Ferrocarril del Pacífico S.A. (“FEPASA”), General Manager Puerto Panul San Antonio, General Manager Graneles de Chile Transvia and held various commercial, management control and operations positions at FEPASA, MTS, Shell and Grupo Arauco. He is a commercial engineer with 35 years’ experience in the railway transport industry in Chile.

Mauricio Larraín. Mr. Larraín joined us in 2017 and was appointed Vice-President of Planning and Technical Services in 2023. He is a civil mining engineer and Master of Science (Mineral Economics) with over 25 years of experience in mining. Previously, he held various positions as General Manager of Los Pelambres, General Manager at Codelco’s El Teniente Division, Operations Manager at El Teniente, Mine Planning Corporate Manager of Codelco and various positions at Codelco and Los Pelambres.

Alejandro Vásquez. Mr. Vásquez joined us in 2022 and was appointed Vice-President of Los Pelambres Operations in 2022. He is a civil mining engineer with over 30 years of experience in mining. Previously, he held various positions as Vice President, South America of Teck, President of Pampa Norte (BHP’s Spence and Cerro Colorado operations), General Manager of the Yandi iron ore operation in Australia and Vice President of Operations for Minera Escondida.

Nicolás Rivera. Mr. Rivera joined us in 2025. Before joining us, he held positions as the Vice President of Mining Resources at Codelco, Vice President of Northern Operations at Codelco, General Manager at El Teniente and Chuquicamata operations at Codelco, Operations Manager at El Teniente and held various positions at Anglo American. He is a civil mining and industrial engineer with nearly 20 years’ experience in mining.

Ivo Fadic. Mr. Fadic joined us in 2016 and was appointed General Manager – Antucoya in 2023. He is a mechanical engineer and Master in Asset Management and Maintenance, with nearly 20 years of experience in mining. He previously held roles as Operations Manager and Maintenance Manager at Los Pelambres and Maintenance Manager and Engineering Manager at Minera Escondida.

Maria de la Luz Osses. Mrs. de la Luz Osses joined us in 2020. She is a metallurgical civil engineer with more than 25 years’ experience in mining. She previously held roles as Primary Sulphides Project Manager at Zaldívar, Operations Manager at Zaldívar, Hydrometallurgical Processes Expert at Antofagasta Minerals, Process Control, R&D and Geo-metallurgical planning at Codelco and was a founding partner and general manager of Biotecnologías Antofagasta S.A.

Compensation of the Members of the Board of Directors and Senior Management

We only make remuneration payments to Directors and the CEO, or payments for loss of office, if the payment is in line with our Directors’ and CEO Remuneration Policy most recently approved by our shareholders.

The CEO receives a base salary and benefits in line with market conditions in Chile, taking into consideration international factors, as appropriate. He participates in the Annual Bonus Plan and the long-term incentive plan (“LTIP”), which are designed to align remuneration with our overall performance and promote outcomes that are for our long-term benefit. Market conditions and remuneration structures available in Chile are a central consideration when setting the CEO’s remuneration. While the Remuneration and Talent Management Committee carefully considers some of the features of variable remuneration that have evolved for UK-listed companies in recent years, we continue to maintain the structure we have applied for many years, which includes the grant of a combination of restricted and performance “phantom share” awards under the LTIP and the delivery of both the LTIP and annual bonus in cash. In addition, 25% of annual performance bonuses are associated with sustainability targets for safety, diversity, inclusion and environment and social performance.

PRINCIPAL SHAREHOLDERS

The table below sets forth certain information regarding the ownership of our capital structure by our largest shareholders as of December 31, 2024.

Shareholder	% Ownership of Ordinary Shares	% Ownership of Preferred Shares	% Total Share Capital Ownership
Metalinvest Establishment	50.72%	94.12%	58.04%
Kupferberg Establishment.....	9.94%	–	8.27%
Aureberg Establishment	4.26%	–	3.54%
Total	64.92%	94.12%	69.85%

Metalinvest Establishment and Kupferberg Establishment are both controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested. Metalinvest Establishment is our immediate parent company and the E. Abaroa Foundation is the ultimate parent company. Aureberg Establishment is controlled by the Severe Studere Foundation, which in turn is controlled by Jean-Paul Luksic, the Chairman of the Board.

The table below sets forth certain information regarding the ownership of our capital structure by members of the Board and officers as of December 31, 2024.

Shareholder	Number of Ordinary Shares
Jean-Paul Luksic ⁽¹⁾	41,963,110

⁽¹⁾ Jean-Paul Luksic's interest relates to shares held by Aureberg Establishment, an entity that he ultimately controls.

RELATED PARTY TRANSACTIONS

In the ordinary course of business the Group enters into various transactions with related parties.

Certain related party transactions outside the ordinary course of business must be subject to independent assessment and approval. Any such related party transaction between the Group and a controlling shareholder or its associates is reviewed by a committee of Directors independent from the controlling shareholder to assess whether the Company should enter into such transactions and, if so, to oversee the negotiation process. In most cases, transactions of this nature will also be subject to independent review by third-party shareholders in each of the Group's mining operations. Any proposed related party transaction over \$40 million, whether or not in the ordinary course of business, is also tabled for Board approval. Any Director with a potential conflict or connection with the related party will not take part in the decision on that transaction.

During 2024, a committee of Directors independent from the controlling shareholders convened to oversee, and ultimately approved in 2025, a transaction with Mineralinvest Establishment, an entity in which the Luksic family is interested, to acquire mining properties in the Centinela District of Chile. See below for further details.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this section. The transactions 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. For a more detailed summary of related party transactions outside of the Group, please see Note 34 to the 2024 Audited Financial Statements and Note 17 to the Interim Unaudited Financial Statements.

- *Quiñenco SA.* Quiñenco SA ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange, and in which members of the Luksic family are interested. Two Directors of the Company, Jean-Paul Luksic and Andronico Luksic C, and a member of the Group's Executive Committee, Andronico Luksic L, are also directors of Quiñenco. The following transactions took place between the Group and the Quiñenco group of companies, all of which were on arm's length commercial terms:
 - In the year ended December 31, 2024, the Group made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of \$318.4 million (2023: \$337.8 million and 2022: \$309.9 million). The balance due to ENEX SA at the end of 2024 was \$17.9 million (2023: \$13.3 million and 2022: \$28.6 million).
 - In the year ended December 31, 2024, the Group earned interest income of \$1.0 million (2023: \$0.9 million and 2022: \$0.8 million) on investments with BanChile Administradora General de Fondos SA, a subsidiary of Quiñenco. Investment balances at the end of 2024 were \$30.5 million (2023: zero and 2022: zero).
 - In the year ended December 31, 2024, the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of \$13.2 million (2023: \$9.0 million and 2022: \$12.7 million). The balance due to Hapag Lloyd at the end of 2024 was zero (2023: zero and 2022: \$0.3 million).
 - In the year ended December 31, 2024, the Group purchased technology services from Artikos Chile SA, a subsidiary of Quiñenco, of \$0.3 million (2023: \$0.2 million and

2022: \$0.2 million). The balance due to Artikos Chile SA at the end of the year was zero (2023: zero and 2022: zero).

- *Compañía de Inversiones Adriático SA.* In 2024, the Group leased office space on arm's length terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family are interested, at a cost of \$0.6 million (2023: \$0.8 million and 2022: \$0.4 million).
- *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 ("MineralInvest"), a company in which members of the Luksic family are interested, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. During the six-month period ended June 30, 2025 and the year ended December 31, 2024, the Group incurred \$0.5 million and \$0.1 million, respectively, of exploration costs at these properties (six-month period ended June 30, 2024: \$0.1 million, year ended December 31, 2023: \$0.1 million and year ended December 31, 2022: \$0.1 million). In January 2025, the Group entered into an agreement with Mineralinvest Establishment to acquire its 49% interest in Antomin Investor's copper exploration properties in the Centinela District for \$80 million. Properties previously held by Antomin Investors that are outside the Centinela District have been demerged into a new entity, Antomin Volcanes, held 51% by the Group and 49% by Mineralinvest Establishment. The acquisition of the remaining 49% stake in Antomin Investors is expected to be completed later in 2025. This transaction further consolidates the Group's mining property interests in the Centinela District, providing flexibility for future growth options. See Notes 34 and 37 of the 2024 Audited Financial Statements and Note 17(c) of the Interim Unaudited Financial Statements for further details.
- The Group holds 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 as at December 31, 2024 was \$2.2 million (2023: \$6.7 million and 2022: \$6.7 million). During the six-month period ended June 30, 2025 and the year ended December 31, 2024, Zaldívar declared zero dividends to the Group (six-month period ended June 30, 2024: zero, year ended December 31, 2023: zero and year ended December 31, 2022: \$50.0 million). See Note 18 to the 2024 Audited Financial Statements and Note 17(a) of the Interim Unaudited Financial Statements for further details.
- *Compañía de Minas Buenaventura S.A.A.* The Group has a 18.94% interest in Compañía de Minas Buenaventura S.A.A, which is an associate. During the six-month period ended June 30, 2025 and the year ended December 31, 2024, the Group received dividends from Buenaventura of \$14.0 million and \$3.5 million, respectively (six-month period ended June 30, 2024: \$3.5 million).
- *Tethyan Copper Company Limited.* On December 15, 2022, the Group entered into definitive agreements to dispose of its 50% 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. We contributed zero (2023: zero and 2022: zero) to Tethyan during 2024 and in the six-month period ended June 30, 2025.

DESCRIPTION OF THE NOTES

The notes have been issued pursuant to a supplemental indenture, dated September 9, 2025 (the “supplemental indenture”), to the base indenture dated as of October 14, 2020, between the Issuer and The Bank of New York Mellon, as trustee, paying agent, transfer agent and registrar (the base indenture, together with the supplemental indenture, the “indenture”).

The following description of certain provisions of the notes and of the indenture is subject to and is qualified by reference to the provisions of the notes and the indenture, copies of which will be available to holders of the notes for inspection at the office of the trustee at 240 Greenwich Street New York, NY 10286. Unless the context otherwise requires, references to “notes” include the notes offered hereby and any Additional Notes (as defined below).

General

The notes have been issued by the Issuer, and the Issuer will be liable therefor and obligated to perform all covenants and agreements to be performed by the Issuer pursuant to the notes and the indenture, including the obligations to pay principal, interest and Additional Amounts (as defined below under “Payment of Additional Amounts”), if any. The trustee under the indenture is The Bank of New York Mellon (the “trustee,” which term shall include any successor trustee under the indenture).

The indenture provides for the issuance by the Issuer from time to time of notes in one or more series up to an aggregate principal amount of notes as from time to time may be authorized by the Issuer. Notes that have the same date of maturity and interest payment dates, are payable in the same currency, bear interest at the same rate and have terms that are otherwise identical, are referred to herein as a “series.”

The aggregate principal amount of the notes is U.S.\$600,000,000. Interest on the notes accrues at the rate of 5.625% per annum and is payable semi-annually in arrears on March 9 and September 9 of each year, or, if any such date is not a Business Day (as defined below), on the next succeeding Business Day (each such date, an “Interest Payment Date”), commencing on March 9, 2026. Payments will be made to the person or persons (each, a “holder”) in whose name such notes are registered in the Security Register (as defined below) at the close of business on the 5th calendar day immediately preceding an Interest Payment Date (whether or not a Business Day) (each a “Record Date”). Interest on the notes will be calculated on the basis of a 360-day year of twelve 30-day months. For the purposes hereof, the term “Business Day” means a day on which banks in London, United Kingdom and The City of New York are not authorized or required by law or executive order to be closed.

Moneys paid by the Issuer to the trustee or any paying agent for the payment of principal of (and premium, if any) or interest on any of the notes and remaining unclaimed at the end of two years after the date on which such principal (and premium, if any) or interest shall have become due and payable (whether at maturity, upon call for redemption or otherwise) shall, together with interest made available for payment thereof, be repaid to the Issuer, whereupon all liability of the trustee or such paying agent with respect to such moneys shall cease.

The notes will mature on September 9, 2035. The notes will not be redeemable prior to maturity except as described under “—Optional Redemption.”

Ranking

The notes constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer. The notes will rank without any preference among them and equally with all other unsecured and unsubordinated obligations of the Issuer. It is understood and agreed that this provision will not be

construed so as to require the Issuer to make payments under the notes ratably with payments being made under any other obligations. The indenture contains no restriction on the amount of additional indebtedness which may be incurred by the Issuer or its subsidiaries; however, as set forth under “—Limitation on Liens” below, the indenture contains certain restrictions on the ability of the Issuer and its subsidiaries to incur secured indebtedness.

Registration, Form and Delivery

The trustee will initially act as paying agent, transfer agent and registrar for the notes. The notes have been issued in definitive, fully registered form, without coupons, in denominations of U.S.\$200,000 principal amount and multiples of U.S.\$1,000 in excess thereof. The notes will be exchangeable, and transfers thereof will be registrable, at the office of the registrar for the notes. No charge will be made to holders of the notes in connection with any exchange or registration of transfer, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in that connection.

The trustee will maintain at its office located at 240 Greenwich Street, New York, NY 10286, a security register (the “Security Register”) with respect to the notes. The name and address of the registered holder of each note and the amount of each note will be recorded in the Security Register, and the trustee and the Issuer may treat the person in whose name the note is registered as the owner of such note for all purposes. For so long as the notes are represented by one or more Global Notes (as defined under “—Global Notes” below), the registered holder of a Global Note, in accordance with the terms of the indenture, may be treated at all times and for all purposes by the Issuer and the trustee as the sole owner with respect to such notes, with respect to all payments on the notes and for all other purposes under the terms of the notes and the indenture.

The notes have been offered and sold in connection with the initial offering thereof solely to “qualified institutional buyers,” as that term is defined in Rule 144A under the Securities Act, pursuant to Rule 144A, and in offshore transactions to persons other than “U.S. persons,” as defined in Regulation S under the Securities Act, in reliance on Regulation S. Following the initial offering of the notes, the notes may be resold to qualified institutional buyers pursuant to Rule 144A, to non-U.S. persons in reliance on Regulation S and pursuant to Rule 144 under the Securities Act, as described under “Transfer Restrictions.”

Covenants

The Issuer has agreed to restrictions on its activities for the benefit of holders of the notes. The following restrictions will apply to the notes:

Consolidation, Merger, Conveyance, Sale or Lease

The Issuer will not (a) consolidate, amalgamate or merge with or into any other person, and will not permit any other person to consolidate, amalgamate or merge with or into the Issuer; or (b) sell, transfer, lease or convey all or substantially all of the properties and assets of the Issuer and its subsidiaries, taken as a whole, to any other person, unless:

- (i) the person formed by such consolidation, amalgamation or merger (if other than the Issuer) or the person that acquires by purchase, transfer or conveyance, or that leases, all or substantially all of the properties and assets of the Issuer and its subsidiaries, taken as a whole (in each case, the “Surviving Person”), (A) is an entity organized and existing under the laws of England and Wales, the United States of America, or any State thereof or the District of Columbia, any member state of the European Union, Luxembourg, Switzerland, the Republic of Chile, or any other member country of the OECD (or, if the Surviving Person is an entity organized and existing under the laws of any other jurisdiction, the

Issuer delivers to the trustee an opinion of counsel to the effect that the rights of the holders of the notes would not be adversely affected as a result of the application of the law of the jurisdiction of organization of the Surviving Person, insofar as such law affects the ability of the Surviving Person to obligate itself to pay and perform the obligations and undertakings of the Issuer under the indenture and the notes or the ability of the holder to enforce such obligations and undertakings); and (B) expressly assumes, by supplemental indenture, the due and punctual payment of the principal of and interest and Additional Amounts, if any, on all outstanding notes and the performance of every covenant in the indenture and the notes on the part of the Issuer to be performed or observed;

- (ii) immediately after giving effect to such transaction, no Event of Default (as defined below), and no event that, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
- (iii) the Issuer has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent provided in the indenture relating to such consolidation, amalgamation, merger, sale, transfer, conveyance or lease, and such supplemental indenture, have been complied with.

Limitation on Liens

Neither the Issuer nor any Material Subsidiary (as defined below) will (a) issue, assume or guarantee any indebtedness for borrowed money if such indebtedness is secured, or (b) secure any outstanding indebtedness for borrowed money, in each case, by a Lien (as defined below) upon any Principal Property (as defined below) or upon any shares of stock of, or indebtedness for borrowed money of, any Material Subsidiary, now owned or hereafter acquired, without effectively providing that the notes shall be secured equally and ratably with such indebtedness, except that the foregoing restrictions shall not apply to:

- (i) (A) Liens on any Principal Property acquired, constructed or improved after the Issue Date to secure or provide for the payment of the purchase price or cost of construction or improvements (including costs such as increased costs due to escalation, interest during construction and similar costs) thereof incurred after the Issue Date, (B) existing Liens on property acquired and (C) Liens on the assets or equity interests of any Subsidiary acquiring such Principal Property, *provided* such Liens shall not apply to any property theretofore owned by the Issuer or any Material Subsidiary other than theretofore unimproved real property,
- (ii) Liens on any Principal Property or shares of stock or indebtedness acquired from a corporation amalgamated, consolidated or merged with or into the Issuer or a Material Subsidiary,
- (iii) Liens to secure indebtedness of the Issuer or a Material Subsidiary to the Issuer or another Subsidiary,
- (iv) the sale or other transfer of any interest in property of the character commonly referred to as a "production or streaming payment,"

- (v) Liens on any property existing at the time of the acquisition of such property by the Issuer or any of its Material Subsidiaries which lien was not (or is not) created in connection with such acquisition,
- (vi) (A) Liens on the property of a person that becomes a Subsidiary of the Issuer after the date hereof; *provided* that such Liens (x) existed at the time such person becomes a Subsidiary of the Issuer and were not created in anticipation thereof, and (y) are not extended to any property of the Issuer or of any of its Subsidiaries, other than the property or assets of such Subsidiary, and (B) Liens on the proceeds of indebtedness incurred to finance an acquisition, investment or refinancing pursuant to customary escrow or similar arrangements to the extent such proceeds (x) secure such indebtedness or are otherwise restricted in favor of the holders of such indebtedness and (y) will be required to repay such indebtedness if such acquisition, investment or refinancing is not consummated,
- (vii) Liens in existence on the Issue Date,
- (viii) Liens on deposits to secure, or any lien otherwise securing, the performance of bids, statutory obligations, surety bonds, appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business,
- (ix) any Lien securing Project Finance Indebtedness; *provided* that such Lien applies only to (A) property or assets of the relevant Subsidiary or Subsidiaries, as the case may be, that are acquired, constructed, developed, improved, operated or expanded (whether such property or assets are acquired at the time of such financing or at any point previously or thereafter) and/or any property or assets (including existing property) of the relevant Subsidiary or Subsidiaries, as the case may be, related to such property or assets (including any concessions, contracts, easements, licenses or permits), (B) any inventories, receivables or other products or proceeds of, or any revenue or profit from, or compensation in respect of any of the property or assets described in sub-clause (A) above or sub-clause (C) below, including any deposit, securities or other account containing any of the foregoing, or (C) any shares or other ownership interest in, or any indebtedness of, any Person, substantially all of the property and assets of which consist, directly or indirectly, of any of the property or assets described in sub-clause (A) or (B) above, and
- (x) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any lien referred to in the foregoing clauses (i), (ii), (iii) or (v), (vi), (vii) and (ix), inclusive of any indebtedness secured thereby, *provided* that the principal amount of indebtedness so secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement and that such extension, renewal or replacement Lien shall be limited to all or part of the property which secured the Lien extended, renewed or replaced (plus improvements on or additions to such property).

Notwithstanding the foregoing, the Issuer and one or more Material Subsidiaries may (a) issue, assume or guarantee indebtedness for borrowed money secured by Liens; or (b) secure any existing indebtedness for borrowed money with Liens, in each case, without effectively providing that the notes shall be secured equally and ratably with such indebtedness, so long as the aggregate principal amount of

such indebtedness, when taken together with the (i) aggregate outstanding principal amount of all other indebtedness for borrowed money of the Issuer and its Material Subsidiaries that would otherwise be subject to the foregoing restrictions (not including indebtedness permitted to be secured under clauses (i) through (x) above); and (ii) the aggregate Attributable Value of the sale-and-lease-back transactions described under “—Limitation on Sale-and-Lease-Back Transactions” below (other than sale-and-lease-back transactions the proceeds of which have been applied as provided in clause (b) under “—Limitation on Sale-and-Lease-Back Transactions” below), does not at the time of issuance, assumption or guarantee thereof, or the granting of a Lien to secure such indebtedness, exceed the greater of (A) 20% of Consolidated Net Tangible Assets and (B) \$4,000,000,000.

Limitation on Sale-and-Lease-Back Transactions

Neither the Issuer nor any Material Subsidiary will enter into any arrangement with any person (other than the Issuer or a Material Subsidiary), or to which any such person is a party, providing for the leasing to the Issuer or a Material Subsidiary for a period of more than three years of any Principal Property which has been or is to be sold or transferred by the Issuer or such Material Subsidiary to such person or to any person (other than the Issuer or a Material Subsidiary) to which funds have been or are to be advanced by such person on the security of the leased Principal Property unless either (a) the Issuer or such Material Subsidiary would be entitled, pursuant to the provisions described under “—Limitation on Liens” above, to incur indebtedness for borrowed money, secured by a lien on the Principal Property to be leased, in a principal amount equal to or exceeding the Attributable Value of such sale-and-lease-back transaction without equally and ratably securing the notes; or (b) the Issuer or such Material Subsidiary, during or immediately after the expiration of the 360 days after the effective date of such transaction (whether made by the Issuer or a Material Subsidiary), applies to either (i) the voluntary retirement of indebtedness of the Issuer or a Material Subsidiary (including the notes) maturing by its terms more than one year after the original creation thereof, if such sale or transfer is for cash, an amount equal to 100% of the net proceeds of such transaction, or, if such sale or transfer is not for cash, an amount equal to the fair market value of the consideration for such transaction, less, in each case, an amount equal to the sum of (A) the principal amount of notes delivered, within 360 days after the effective date of such arrangement, to the trustee for retirement and cancellation and (B) the principal amount of other indebtedness for borrowed money voluntarily retired by the Issuer within such 360-day period, in each case excluding retirements of notes and other indebtedness for borrowed money as a result of conversions or pursuant to mandatory sinking fund or mandatory prepayment provisions or by payment at maturity or (ii) the acquisition, purchase, construction, development, extension or improvement of any property or assets of the Issuer or any Subsidiary used or to be used by or for the benefit of the Issuer or any Subsidiary.

Periodic Reports

The Issuer will furnish to the noteholders, upon the request of such noteholder to the trustee, and to prospective purchasers of notes, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the notes are not freely transferable under the Securities Act.

For so long as any notes are listed on the Official List of the Financial Conduct Authority and admitted for trading on the Main Market of the London Stock Exchange, the Issuer shall deliver to the trustee, or post on its website, copies of any annual reports, periodic results announcements, information, documents and other reports that the Issuer is, or would be, required to file with the Financial Conduct Authority or the London Stock Exchange pursuant to the Admission and Disclosure Standards of the London Stock Exchange.

Events of Default

An Event of Default with respect to the notes is defined in the indenture as being any of the following (each an “Event of Default”):

- (i) default for 30 days in payment of any interest on the notes;
- (ii) default in payment of principal of the notes;
- (iii) default in the performance, or breach, of any covenant or warranty or obligation of the Issuer in the indenture and continuance of such default or breach for a period of 90 days after written notice is given to the Issuer by the trustee or to the Issuer and the trustee by the holders of at least 25% in aggregate principal amount of the notes;
- (iv) default under any indebtedness for money borrowed by the Issuer or any Material Subsidiary (other than Project Finance Indebtedness), whether such indebtedness now exists or shall hereafter be created, in an aggregate principal amount exceeding U.S.\$200 million (or its equivalent in any other currency or currencies) which default:
 - a. shall constitute the failure to pay any portion of the principal of such indebtedness when due and payable, whether at maturity, upon redemption or acceleration or otherwise, or
 - b. shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable,in either case, if such default shall continue for more than 30 Business Days and within such 30 Business Days the time for payment of such amount has not been expressly extended (*provided* that if such default shall be remedied or cured by the Issuer or a Material Subsidiary or waived by the holders of such indebtedness, then the event of default with respect to the notes shall be deemed likewise to have been remedied, cured or waived);
- (v) a decree or order by a court having jurisdiction shall have been entered adjudging the Issuer or any of its Material Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization by the Issuer or any of its Material Subsidiaries and such decree or order shall have continued undischarged or unstayed for a period of 180 days; or a decree or order by a court having jurisdiction shall have been entered for the liquidation or dissolution of the Issuer or any of its Material Subsidiaries, and such decree or order shall have continued undischarged or unstayed for a period of 180 days; *provided, however*, that any Material Subsidiary may be liquidated or dissolved, if pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred back to the Issuer or any other Material Subsidiary of the Issuer; or
- (vi) the Issuer or any of its Material Subsidiaries shall institute a proceeding to be adjudicated as a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property.

The trustee shall not be charged with knowledge of any Event of Default with respect to the notes unless the Issuer or any holder of notes delivers a written notice of any event which is in fact a default or Event of Default to a Responsible Officer of the trustee, and such notice references the notes and the indenture. "Responsible Officer" is defined in the indenture as any officer in the corporate trust office of the trustee or any other officers of the trustee customarily performing functions similar to those performed by any such officer and, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject, and who has direct responsibility for the administration of the indenture.

The indenture provides that (a) if an Event of Default (other than an Event of Default described in clause (v) or (vi) above) shall have occurred and be continuing with respect to the notes, either the trustee or the holders of not less than 25% of the aggregate principal amount of the notes then outstanding may declare the principal of all such outstanding notes and the interest accrued thereon, if any, to be due and payable immediately and (b) if an Event of Default described in clause (v) or (vi) above shall have occurred, the principal of all such outstanding notes and the interest accrued thereon, if any, shall become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder of such notes. The indenture provides that the notes owned by the Issuer or any of its affiliates shall be deemed not to be outstanding for certain purposes, including declaring the acceleration of the maturity of the notes. Upon the satisfaction by the Issuer of certain conditions, including (i) the payment of all fees and expenses of the trustee, (ii) the Issuer's deposit with the trustee of a sum sufficient to pay all outstanding amounts then due on the applicable notes (other than principal due by virtue of the acceleration) together with interest on such amounts through the date of the deposit and (iii) all Events of Default (other than non-payment of principal that became due by virtue of the acceleration upon the event of default) having been cured or waived, the declaration described in clause (a) of this paragraph may be annulled by the holders of more than 50% of the aggregate principal amount of the notes then outstanding. Past defaults, other than non-payment of principal, interest and compliance with certain covenants, may be waived by the holders of more than 50% of the aggregate principal amount of the notes outstanding.

The trustee must give to the holders of the notes notice of all uncured defaults known to it with respect to the notes within 90 days after a Responsible Officer of the trustee has received written notification of such a default (unless such default shall have been cured); *provided, however*, that, except in the case of default in the payment of principal, interest or Additional Amounts, the trustee shall be protected in withholding such notice if and so long as a committee of directors or Responsible Officers of the trustee determine in good faith that the withholding of such notice is in the interest of the holders of the notes.

No holder of notes may institute any proceeding, judicial or otherwise, under the indenture unless (i) such holder shall have given the trustee written notice of a continuing Event of Default with respect to the notes, (ii) the holders of not less than 25% of the aggregate principal amount of the notes then outstanding shall have made written request to the trustee to institute proceedings in respect of the Event of Default, (iii) such holder or holders shall have offered the trustee such reasonable indemnity as the trustee may require, (iv) the trustee shall have failed to institute an action for 60 days thereafter and (v) no inconsistent direction shall have been given to the trustee during such 60-day period by the holders of more than 50% of the aggregate principal amount of the notes of such series. Such limitations, however, do not apply to any suit instituted by a holder of a note for enforcement of payment of the principal or interest on the notes on or after the respective stated maturity expressed in such notes.

The indenture provides that, subject to the duty of the trustee during default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any holders of the notes, unless such holders shall have offered to the trustee reasonable indemnity.

The Issuer will be required to furnish to the trustee annually a statement as to the performance by the Issuer of certain of its obligations under the indenture and as to any default in such performance.

Payment of Additional Amounts

All payments of principal and stated interest under the notes by or on behalf of the Issuer will be made without deduction or withholding for or on account of any present or future taxes, assessments, duties or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or the jurisdiction in which the Issuer is organized or resident for tax purposes or from or through which payments are made or, in each case, any political subdivision or territory or possession thereof or therein (each, a “Relevant Taxing Jurisdiction”) unless the withholding or deduction of such taxes, assessments, duties or governmental charges is required by law or regulation or by the official interpretation thereof. In that event, the Issuer will pay to each holder of a note such additional amounts (“Additional Amounts”) as may be necessary in order that each net payment on such note after such deduction or withholding will not be less than the amount provided for in such note to be then due and payable; *provided, however*, that the foregoing obligation to pay Additional Amounts will not apply to:

- (i) any tax, assessment, duty or other governmental charge that would not have been so deducted or withheld but for (A) the existence of any present or former connection between the holder or the beneficial owner of the note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction imposing such tax, assessment, duty or other governmental charge (including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein) other than the mere receipt of payments in respect of a note or the holding or ownership of a note or a beneficial interest therein; or (B) the presentation of a note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or beneficial owner thereof would have been entitled to Additional Amounts had the note been presented for payment on the last day of such 30-day period;
- (ii) any estate, inheritance, gift, sales, transfer, personal property, capital gains, excise or similar tax, assessment, duty or other governmental charge;
- (iii) any tax, assessment, duty or other governmental charge that is not payable by way of withholding from payments of (or in respect of) principal of, or any interest on, the notes;
- (iv) any tax, assessment, duty or other governmental charge to the extent that it would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the holder or beneficial owner of the note, if compliance is required by statute or by regulation of the Relevant Taxing Jurisdiction as a precondition to relief or exemption from all or part of such tax, assessment, duty or other governmental charge, or to a reduction in the applicable tax rate, and at least 30 days’ written notice prior to the first payment date with respect to which such certification, information, or other reporting

requirements is required to the effect that a holder or beneficial owner will be required to provide such information and identification has been sent to the holder or beneficial owner, as applicable, unless, in each case, the Holder or beneficial owner is not legally eligible to do so as a result of a change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder, including a holding by a court of competent jurisdiction) of the Relevant Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings in such Relevant Taxing Jurisdiction;

- (v) any Additional Amounts with respect to deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement), or
- (vi) any combination of items (i), (ii), (iii), (iv) and (v) above.

Nor shall Additional Amounts be paid with respect to any payment of the principal of or any interest on any note to any holder or beneficial owner that is a fiduciary or partnership or other than the sole beneficial owner of such note to the extent such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had it been a holder of such note.

Redemption

The Issuer will not be permitted to redeem the notes before their stated maturity, except as set forth below. The Issuer is not, however, prohibited from acquiring notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise, so long as the acquisition does not otherwise violate the terms of the applicable indenture. The notes will not be entitled to the benefit of any sinking fund, meaning that the Issuer will not deposit money on a regular basis into any separate account to repay the notes. In addition, you will not be entitled to require the Issuer to repurchase your notes from you before the stated maturity.

Notes called for redemption become due on the date fixed for redemption. Notices of redemption will be delivered at least 10 but not more than 60 days before such redemption date to each holder of notes to be redeemed. The notice of redemption for the notes will state the amount to be redeemed and the redemption price. On and after the redemption date, interest will cease to accrue on any notes that are redeemed, unless the Issuer defaults in the payment of the redemption price. If less than all the notes are redeemed at any time, the trustee will select notes by lot or on a pro rata basis or by any other method that the trustee deems fair and appropriate (or, if the notes are outstanding in global form, notes will be selected in accordance with the depositary’s applicable procedures as in effect from time to time).

At the option of the Issuer, a notice of redemption may be conditioned on the satisfaction of one or more conditions. If so conditioned, such a notice of redemption shall state that, in the Issuer’s discretion, the redemption date may be delayed until such time as any or all of such conditions shall be satisfied (or waived by the Issuer in its discretion), or such redemption may not occur and such notice may be rescinded

in the event that any or all of such conditions have not been satisfied (or waived by the Issuer in its discretion) by the redemption date, or the redemption date so delayed.

Optional Redemption

Prior to June 9, 2035 (three months prior to their maturity date) (the “Par Call Date”), the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes were redeemed on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the redemption date.

On or after the Par Call Date, the Issuer may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest thereon to the redemption date.

“*Treasury Rate*” means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities—Treasury constant maturities—Nominal” (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury

security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

For the avoidance of doubt, the trustee shall have no responsibility for calculating the redemption price or any component thereof.

Tax Redemption

The notes may be redeemed at the election of the Issuer, in whole, but not in part, by the giving of notice as provided in “—Notices” below (which notice shall be irrevocable), at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to the redemption date, if, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder, including a holding by a court of competent jurisdiction) of the Relevant Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings in such Relevant Taxing Jurisdiction, the Issuer has or will become obligated on the next Interest Payment Date to pay Additional Amounts on the notes, and if such change or amendment is announced and becomes effective on or after the earlier of the date of this listing memorandum and the agreement to purchase the notes (or, in the case of a jurisdiction that became a Relevant Taxing Jurisdiction at a later date, such later date), and such obligation cannot be avoided by the Issuer taking reasonable measures that are available to it (for this purpose, reasonable measures shall not include any change in the Issuer’s or any successor’s jurisdiction of incorporation or organization or location of its principal executive or registered office); *provided, however*, that the notice of redemption for tax reasons will not be given earlier than 90 days prior to the earliest date on which the Issuer or any successor would be obligated to pay any such Additional Amounts if a payment in respect of the notes were then due. Prior to the giving of any such notice of redemption, the Issuer must deliver to the trustee (A) an officers’ certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent counsel of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction to the effect that the Issuer has, or would, become obligated to pay such Additional Amounts as a result of such change in tax law.

Notices

For so long as the notes are outstanding in global form, notices to be given to holders will be given to the depository, in accordance with its applicable procedures as in effect from time to time. If notes are issued in individual definitive form, notice to holders of the notes will be delivered to the addresses of such holders as they appear in the security register.

Replacement of Notes

In case of mutilated, destroyed, lost or stolen notes, application for replacement thereof may be made to the trustee or the Issuer. Any such note shall be replaced by the trustee in compliance with such procedures, and on such terms as to evidence and indemnification, as the trustee or the Issuer may require and subject to any applicable law or regulation. All such costs as may be incurred in connection with the replacement of any notes shall be borne by the applicant. Mutilated notes must be surrendered before new ones will be issued.

Modification of the Indenture

The Issuer and the trustee may, without the consent of the holders of notes, amend, waive or supplement the indenture or the notes for certain specified purposes, including among other things:

- (i) to evidence the Issuer's succession by another person, and the assumption by such person of the Issuer's obligations;
- (ii) to add to the Issuer's covenants or surrender any of its rights or powers for the benefit of all or any series of notes;
- (iii) to cure any ambiguity, defect or inconsistency in the indenture or in any note;
- (iv) to provide for the issuance of any new series of notes, and/or add to the rights of any holders of any series of notes;
- (v) to provide for the appointment of a successor trustee;
- (vi) to provide for the issuance of Additional Notes;
- (vii) to add any additional Events of Default for the benefit of any or all series of notes;
- (viii) to add guarantees with respect to the Issuer's obligations under any series of notes and provide for the terms of the release of such guarantees;
- (ix) to secure any notes and provide for the terms of the release of such security;
- (x) to provide for a co-issuer with respect to any series of notes;
- (xi) to comply with the rules and regulations of DTC or any other clearing system and the rules and regulations of any securities exchange or automated quotation system on which any notes may be listed or traded;
- (xii) [reserved]; and
- (xiii) to make any other change to the indenture as shall not adversely affect the interests of the holders of the notes in any material respect, as determined in good faith by the Issuer.

No amendment to the indenture or the notes made solely to conform the indenture or the notes to this Description of Notes shall be deemed to adversely affect the interests of the holders of the notes.

In addition, with certain exceptions, the indenture and the notes may be modified by the Issuer and the trustee with the consent of the holders of more than 50% in aggregate principal amount of the notes of the series affected thereby then outstanding, but no such modification may be made without the consent of the holder of each outstanding note affected by any modification that would:

- (i) change the maturity of any principal of, or any premium on, or any installment of interest on, any note, or reduce the principal amount thereof or the rate of interest or any premium (or Additional Amounts, if any) payable thereon, or change the method of computing the amount of principal thereof or interest or premium (or Additional Amounts, if any) payable thereon on any date, or change any place of payment where, or the coin or currency in which, the principal or interest (including Additional Amounts) on any note are payable, or impair the right of holders to institute suit for the enforcement of any such payment on or after the date when due;
- (ii) reduce the percentage in aggregate principal amount of outstanding notes of the applicable series, where the consent of holders is required for any such modification or for any waiver of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences provided for in the indenture; or
- (iii) modify provisions relating to waiver of certain defaults, waiver of certain covenants and the provisions summarized in this paragraph, including provisions governing the amendment of the indenture, except to increase any such percentage or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding note affected by the modification.

The indenture provides that the notes owned by the Issuer or any of its affiliates shall be deemed not to be outstanding for, among other purposes, consent to any such modification.

Defeasance and Covenant Defeasance

The Issuer, at its option, at any time upon the satisfaction of certain conditions described below, may elect to be discharged from its obligations with respect to the notes. In general, upon a defeasance, the Issuer shall be deemed to have paid and discharged the entire indebtedness represented by the notes and to have satisfied all of its obligations under the notes, except for:

- (i) the rights of holders of notes to receive, solely from the trust fund established for such purposes, payments in respect of the principal of, and interest, and Additional Amounts, if any, on the notes when such payments are due;
- (ii) certain provisions relating to ownership, registration and transfer of the notes;
- (iii) the covenant relating to the maintenance of an office or agency in The City of New York; and
- (iv) certain provisions relating to the rights, powers, trusts, duties and immunities of the trustee.

In addition, the Issuer, at its option, at any time, upon the satisfaction of certain conditions described below, may discharge its obligation to comply with the covenants specified above under “—Consolidation, Merger, Conveyance, Sale or Lease,” “—Limitation on Liens” and “—Limitation on Sale-and-Lease-Back

Transactions.” In order to cause a defeasance or covenant defeasance with respect to the notes, the Issuer will be required to (i) deposit funds or obligations issued by the United States in an amount sufficient to provide for the timely payment of principal, interest and all other amounts due under the notes with the trustee, and (ii) satisfy certain other conditions, including delivery to the trustee of an opinion of independent tax counsel of recognized standing to the effect that beneficial owners of notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. Such opinion of counsel in the case of defeasance must refer to and be based upon a ruling of the Internal Revenue Service addressed to the Issuer or a change in applicable U.S. federal income tax law occurring after the date of the indenture.

Listing

Although we expect to obtain and maintain a listing for the notes on the London Stock Exchange before the first interest payment date, we cannot assure you that our application will be approved or that the notes will be so listed, and, if listed, that the notes will remain listed for their entire term. If the Issuer is unable to obtain or maintain such a listing, the Issuer may obtain and maintain listing for the notes on another exchange in its sole discretion.

Governing Law; Submission to Jurisdiction; Sovereign Immunity

The indenture provides that it and the notes will be governed by, and will be construed and interpreted in accordance with, the law of the State of New York. The indenture provides that the Issuer will maintain at all times during the life of the notes an office or agent in the Borough of Manhattan, The City of New York, upon whom process may be served in any action arising out of or based on the notes that may be instituted in the Supreme Court of the State of New York or the United States District Court for the Southern District of New York, in either case in the Borough of Manhattan, The City of New York, by any holder of a note, and the Issuer will expressly accept the jurisdiction of any such court.

To the extent that the Issuer may be entitled, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to the notes, to claim for itself or its revenues or assets any immunity from suit, jurisdiction, attachment in aid or execution of a judgment or prior to a judgment, execution of a judgment or any other legal process with respect to its obligations under the notes, and to the extent that in any such jurisdiction there may be attributed to the Issuer such an immunity (whether or not claimed), the Issuer will irrevocably agree not to claim and will irrevocably waive such immunity to the maximum extent permitted by law.

Further Issues of Notes

Without the consent of the holders, the Issuer may create and issue additional notes with terms and conditions that are the same (or the same except as to scheduled interest payments prior to the time of issue of the additional notes) as the terms and conditions of the notes (“Additional Notes”). The Issuer may consolidate the additional notes to form a single series with the notes; *provided, however*, that, unless such additional notes are issued under a separate CUSIP or ISIN number, such additional notes must be part of the same “issue” as the applicable outstanding series of notes for U.S. federal income tax purposes, issued pursuant to a “qualified reopening” of the applicable outstanding series of notes for U.S. federal income tax purposes or otherwise treated as fungible with such notes for U.S. federal income tax purposes.

Global Notes

The notes have been offered and sold to qualified institutional buyers in reliance on Rule 144A (“Rule 144A Notes”). Notes have also been offered and sold in offshore transactions in reliance on Regulation S (“Regulation S Notes”). Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Rule 144A Global Notes”). Regulation S Notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “Global Notes”). The Global Notes have been deposited upon issuance with the trustee as custodian for DTC, in The City of New York, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the “Restricted Period”), beneficial interests in the Regulation S Global Notes may be held only by non-U.S. persons, unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. Please read “—Exchanges Between Regulation S Notes and Rule 144A Notes.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may be exchanged for notes in certificated form under certain circumstances. Please read “—Exchange of Global Notes for Certificated Notes.”

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “Transfer Restrictions.” In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Issuer that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the “Participants”) and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “Indirect Participants”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Issuer that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants in DTC's system may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants in such system. Investors in the Regulation S Global Notes may hold their interests therein through Euroclear, Clearstream or DTC, if they are participants in such systems, or indirectly through organizations that are participants in such systems. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

The laws of some jurisdictions may require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture. Under the terms of the indenture, the Issuer and the trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the trustee nor any agent of the Issuer or the trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer that its current practice, at the due date of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records

of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of the notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or the Issuer. Neither the Issuer nor the trustee nor any of their respective agents will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the notes, and the Issuer and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under “Transfer Restrictions,” transfers between Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for definitive Notes in registered certificated form (“Certificated Notes”) if:

- (1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act, and in each case the Issuer fails to appoint a successor depository;

- (2) the Issuer, in its sole discretion, notifies the trustee in writing that it elects to cause the issuance of Certificated Notes (DTC has advised the Issuer that, in such event, under its current practices, DTC would notify its Participants of the Issuer's request, but will only withdraw beneficial interests from a Global Note at the request of each DTC Participant); or
- (3) there will have occurred and be continuing an Event of Default with respect to the notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. Please read "Transfer Restrictions."

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Restricted Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that:

- (1) the transfer of notes is being made in accordance with Rule 144A; and
- (2) the notes are being transferred to a Person:
 - (a) whom the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
 - (b) in accordance with all applicable securities laws of the states of the United States.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected in DTC by means of an instruction originated by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter

be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other Global Note for so long as it remains such an interest.

Same-Day Settlement and Payment

The Issuer will make payments in respect of the notes represented by the Global Notes (including principal, premium, if any, and interest, if any) by wire transfer of immediately available funds to the accounts specified by the Global Note holder. The Issuer will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders thereof or, if no such account is specified, by mailing a check to each such Holder's registered address. The notes represented by the Global Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Certain Defined Terms

Set forth below is a summary of certain of the defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms.

"Attributable Value" means, in respect of any sale-leaseback transaction, the lesser of (a) the sale price of the principal property involved in such transaction multiplied by a fraction the numerator of which is the remaining portion of the base term of the lease included in such sale-leaseback transaction and the denominator of which is the base term of such lease and (b) the present value (discounted at the rate of interest implicit in such transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease involved in such transaction (including any period for which the lease has been extended).

"Consolidated Net Tangible Assets" is defined as the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of the Issuer and its Subsidiaries as of the then most recent semi-annual consolidated balance sheet of the Issuer, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other similar intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the current liabilities of the Issuer and its Subsidiaries appearing on such balance sheet as determined in accordance with IFRS.

"IFRS" means the UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006 as applicable to companies reporting under those standards.

"Issue Date" means the date the notes are issued under the indenture.

“*Lien*” means any lien, mortgage, pledge, security interest or other charge or encumbrance of any kind, including the lien or retained security title of a conditional vendor or other title retention agreements, any assignment or conditional assignment and any easement, right of way or other encumbrance on title to real property.

“*Material Subsidiary*” means each of Antofagasta Minerals S.A., Minera Los Pelambres S.C.M., Minera Centinela S.C.M. and any other Subsidiary of the Issuer that owns assets that represent in excess of 20% of the Issuer’s consolidated total assets as of the end of the most recent semi-annual period of the Issuer.

“*Project Finance Indebtedness*” means indebtedness incurred by one or more Subsidiaries of the Issuer to finance or refinance all or any portion of the costs of the acquisition, construction, development, improvement, operation or expansion of any project (including costs such as escalation, interest during construction and financing and refinancing costs) and in respect of which the recourse of the holders of any such indebtedness for the payment, repayment and prepayment of such indebtedness is limited to (a) the liens on the property and assets described in clause (ix) under “—Limitation on Liens,” (b) guarantees or other credit support provided during the period prior to successful completion of the relevant completion tests applicable to such project and/or (c) if such indebtedness is incurred by one or more Subsidiaries of the Issuer, such Subsidiary or Subsidiaries.

“*Principal Property*” means any mineral property located within Chile that is owned by the Issuer or any Material Subsidiary, except any such property which the board of directors of the Issuer by resolution declares is not of material importance to the total business conducted by the Issuer and its Subsidiaries, taken as a whole.

“*Subsidiary*” of a person means a corporation, limited liability company or other entity more than 50% of the outstanding Voting Stock of which is owned, directly or indirectly, by such person or by one or more Subsidiaries of such person.

“*Voting Stock*” with respect to any person, means Equity Interests the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such person, even if the right so to vote has been suspended by the happening of a contingency.

TRANSFER RESTRICTIONS

Regulation S Notes

Each purchaser of the notes pursuant to Regulation S, and each subsequent purchaser of such notes in resales prior to the expiration of the distribution compliance period by accepting delivery of this listing memorandum and the notes, will be deemed to have represented, agreed and acknowledged that:

- (a) it is, or at the time notes are purchased will be, the beneficial owner of such notes and:
 - (i) it is located outside the United States (within the meaning of Regulation S); and
 - (ii) it is not an affiliate of the Company or a person acting on behalf of such an affiliate;
- (b) it understands that such notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such notes except:
 - (i) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or
 - (ii) to the Company; or
 - (iii) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB,

in each case in accordance with any applicable securities laws of any State of the United States;

- (c) it understands that the Regulation S notes and any Regulation S individual note will bear a legend to the following effect, unless the Company determines otherwise in accordance with applicable law:

“THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.”

- (d) it understands that the Company, the Registrar, the initial purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Notes represented by an interest in the Rule 144A Global Notes may also be transferred to a person who wishes to hold such notes in the form of an interest in the Regulation S Global Notes, but only upon receipt by the Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Any interest in a note represented by the relevant Regulation S Global Note that is transferred to a person who takes delivery in the form of an interest in a note represented by the relevant Rule 144A Global Note will, upon transfer, cease to be an interest in a note represented by the relevant Regulation S Global

Note and become an interest in a note represented by the relevant Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to notes represented by the relevant Rule 144A Global Note.

Rule 144A Notes

Each purchaser of the notes in reliance on Rule 144A, by accepting delivery of this listing memorandum, will be deemed to have represented, agreed and acknowledged as follows (terms used in the following paragraphs that are defined in Rule 144A have the respective meanings given to them in Rule 144A):

- (a) the purchaser is (a) a QIB, (b) acquiring the notes for its own account or for the account of one or more QIBs, (c) not formed for the purpose of investing in the notes or the Company and (d) is aware, and each beneficial owner of such notes has been advised, that the sale of the notes to it is being made in reliance on Rule 144A;
- (b) the purchaser understands that (1) the notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to another exemption from registration under the Securities Act (if available), (d) pursuant to an effective registration statement under the Securities Act or (e) to the Company or any of its respective affiliates, in each case in accordance with any applicable securities laws of any State of the United States and (2) it will, and each subsequent Noteholder represented is required to, notify any purchaser of the notes from it of the resale restrictions applicable to the Rule 144A Notes;
- (c) the purchaser understands that the Rule 144A Global Notes and any Rule 144A individual note will bear a legend to the following effect, unless the Company determines otherwise in accordance with applicable law:

“THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR TO A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER, OR ITS AFFILIATES. THIS LEGEND WILL ONLY BE REMOVED AT THE OPTION OF THE ISSUER”

- (d) if it is acquiring any notes for the account of one or more QIBs the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- (e) the purchaser understands that the Company, the Registrar, the initial purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Upon the transfer, exchange or replacement of the Rule 144A Global Note or the Rule 144A individual note, or upon the specific request for removal of the legend, the Company will deliver only the Rule 144A Global Note or one or more Rule 144A Notes that bear such legend or will refuse to remove such legend, unless there is delivered to the Company and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Company that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act, and subject to the election of the Issuer.

Any interest in the relevant Rule 144A Global Note that is transferred to a person who takes delivery in the form of an interest in the relevant Regulation S Global Note will, upon transfer, cease to be an interest in the relevant Rule 144A Global Note and become an interest in the relevant Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in the relevant Regulation S Global Note Certificate.

Prospective purchasers that are QIBs are hereby notified that sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

TAXATION

United Kingdom Taxation

The following is a general summary of the material UK withholding tax consequences at the date hereof in relation to the payment of principal, interest, discount and premium, if any, in respect of the notes issued by the Issuer and also contains a general summary of the material UK tax consequences of the ownership and disposition of the notes. This summary is based on existing UK tax law and our understanding of the practice of His Majesty's Revenue and Customs ("HMRC") as of the date of this listing memorandum. Legislative, administrative or judicial changes may modify the tax consequences described in this summary, possibly with retroactive effect. Furthermore, we can provide no assurance that the tax consequences contained in this summary will not be challenged by HMRC or will be sustained by a UK court if they were to be challenged. Except where the context otherwise requires, the comments relate only to the position of persons who are absolute beneficial owners of the notes and who do not deal with the position of certain classes of holders such as dealers. This section assumes that there will be no substitution of the Issuer and does not consider the tax consequences of any such substitution. The following summary is not exhaustive and does not constitute tax advice. Any prospective purchaser of the notes who are in doubt as to their own tax position should consult their own professional adviser.

Please consult your own tax advisor on the consequences of owning these notes in your particular circumstances under the laws of the UK and any other relevant taxing jurisdiction.

1. Payment of interest on the notes

(A) Payments of interest on the notes may be made without withholding or deduction for or on account of UK income tax while the notes continue to be "listed on a recognised stock exchange" as defined in section 1005 of the Income Tax Act 2007 (and the main market of the London Stock Exchange is a "recognised stock exchange").

(B) Interest on the notes may also be paid without withholding or deduction on account of UK tax where interest on the notes is paid to a person the Issuer reasonably believes (and any person by or through whom interest on the notes is paid reasonably believes) is the beneficial owner of the interest and is within the charge to UK corporation tax as regards the payment of interest at the time the payment is made, provided that HMRC has not given a direction that it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to UK corporation tax in respect of the payment of interest at the time the payment is made.

(C) In all cases not falling within paragraphs (A) or (B) above or any other domestic UK exemption, subject to relief under an applicable double taxation treaty, payments of interest on the notes that arise in the UK for UK tax purposes will be paid under deduction of UK income tax at the basic rate (currently 20%).

(D) Payments on the notes that, although not expressed to be interest, fall to be treated as interest arising in the UK for UK tax purposes will also be subject to the withholding tax rules described above. A premium payable on a redemption of a note may fall to be treated as interest for UK tax purposes. When the notes are issued at a discount or redeemable at a premium, UK withholding tax will not apply to the payment of that discount or premium so long as it does not constitute interest for UK tax purposes (other than discount treated as interest solely by virtue of Section 381 Income Tax (Trading and Other Income) Act 2005).

(E) Payments, or parts thereof, constituting income in respect of the notes having a UK source may be chargeable to UK tax by direct assessment even if paid without withholding or deduction. However, income in respect of the notes with a UK source received by a holder of the notes without deduction or

withholding on account of UK tax will not generally be liable to UK tax by direct assessment unless that holder (i) is resident in the UK for UK tax purposes, or (ii) carries on a trade, profession or vocation in the UK through a UK branch, agency or permanent establishment in connection with which the income is received or to which the notes are attributable. There are certain exemptions for income received by certain categories of agent (such as some brokers and investment managers).

(F) The references to “interest” above mean “interest” as understood in UK tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the notes or any related documentation.

2. *Tax on Ownership and Disposition*

(A) Holders of the notes that are companies within the charge to UK corporation tax may be subject to UK corporation tax on their holding, disposal and redemption of the notes (including a part redemption of the notes that are redeemable in two or more instalments). In general, all returns on and fluctuations in the value of the notes will be brought into account in computing taxable income broadly in accordance with securities holders’ statutory accounting treatment. Fluctuations in value relating to foreign exchange gains and losses in respect of the notes will also be brought into account in computing income.

(B) Holders of the notes who are individuals and who are resident in the UK or carry on a trade, profession or vocation in the UK through a branch or agency to which the notes are attributable may be subject to UK income or capital gains tax on the disposal or redemption of the notes (including a part redemption of the notes that are redeemable in two or more instalments). The nature of the tax charge will depend on the terms of the notes in question and the particular circumstances of the relevant securities holder. In particular, we urge individual notes holders to have regard, where appropriate, to the capital gains tax legislation including the rules applying to “temporary non-residents,” the “accrued income scheme” and the “deeply discounted securities” legislation.

(C) Holders of the notes that neither (i) are resident in the UK for UK tax purposes, nor (ii) carry on a trade, profession or vocation in the UK through a UK branch, agency or permanent establishment to which the notes are attributable, will not generally be liable to UK tax on fluctuations in the value of the notes or on their disposal (subject to the rules applying to “temporary non-residents” referred to above).

3. *Stamp Duty and Stamp Duty Reserve Tax*

No UK stamp duty or stamp duty reserve tax should arise on the issue or transfer of a note held through DTC, or on its redemption.

United States Federal Income Tax Consequences

This section describes the material United States federal income tax consequences to a United States holder (as defined below) of owning the notes we are offering. This section applies to you only if you acquire notes in the offering at the offering price and you hold your notes as capital assets for tax purposes. This section addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities,

- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that owns notes that are a hedge or that are hedged against interest rate risks,
- a person that owns notes as part of a straddle or conversion transaction for tax purposes,
- a person that purchases or sells notes as part of a wash sale for tax purposes, or
- a person whose functional currency for tax purposes is not the U.S. dollar.

If you purchase notes at a price other than the offering price, the amortizable bond premium or market discount rules may also apply to you. You should consult your tax advisor regarding this possibility.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. This section does not constitute tax advice and we can provide no assurance that the tax consequences contained in this section will not be challenged by the Internal Revenue Service (the “IRS”) or will be sustained by a United States court if they were to be challenged.

You are a United States holder if you are a beneficial owner of a note and you are, for United States federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source,
or
- a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If an entity or arrangement that is treated as a partnership for United States federal income tax purpose holds the notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the notes.

Please consult your own tax advisor concerning the consequences of owning these notes in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.

Payments of Interest. You will be taxed on interest on your note as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Interest paid by the Company on the notes is generally income from sources outside the United States for purposes of the rules regarding the foreign tax credit allowable to a United States holder and will generally be “passive” income for purposes of computing the foreign tax credit.

Purchase, Sale and Retirement of the Notes. Your tax basis in your note generally will be its cost. You will generally recognize capital gain or loss on the sale or retirement of your note equal to the difference between the amount you realize on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), and your tax basis in your note. Capital gain of a noncorporate United States holder is generally taxed at preferential rates where the property is held for more than one year.

Information with Respect to Foreign Financial Assets. A United States holder that owns “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with its tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. United States holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the notes.

Backup Withholding and Information Reporting. If you are a noncorporate United States holder, information reporting requirements, on Internal Revenue Service Form 1099, generally would apply to payments of principal and interest on a note within the United States, and the payment of proceeds to you from the sale of a note effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or (in the case of interest payments) are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

Payment of the proceeds from the sale of a note effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the purchase agreement dated September 2, 2025, among us and the initial purchasers in relation to the offering of the notes (the “Purchase Agreement”), we sold to each initial purchaser named below, and each initial purchaser severally and not jointly purchased from us, the principal amount of the notes set forth opposite that initial purchaser’s name.

<u>Initial Purchaser</u>	<u>Principal Amount of Notes</u>
BofA Securities, Inc.....	U.S.\$133,334,000
Credit Agricole Securities (USA) Inc.	U.S.\$133,334,000
J.P. Morgan Securities LLC.....	U.S.\$133,334,000
BBVA Securities Inc.	U.S.\$33,333,000
Goldman Sachs & Co. LLC	U.S.\$33,333,000
MUFG Securities Americas Inc.....	U.S.\$33,333,000
Natixis Securities Americas LLC	U.S.\$33,333,000
Scotia Capital (USA) Inc.	U.S.\$33,333,000
UBS Securities LLC	U.S.\$33,333,000
Total.....	<u>U.S.\$600,000,000</u>

BofA Securities, Inc., Credit Agricole Securities (USA) Inc. and J.P. Morgan Securities LLC acted as Global Coordinators and Joint-Bookrunning Managers for the offering. BBVA Securities Inc., Goldman Sachs & Co. LLC, MUFG Securities Americas Inc., Natixis Securities Americas LLC, Scotia Capital (USA) Inc. and UBS Securities LLC acted as Joint Book-Running Managers for the offering.

The Purchase Agreement entitled the initial purchasers to terminate the issue of the notes in certain circumstances prior to payment to the Company. The Company agreed to indemnify the initial purchasers against certain liabilities in connection with the offering and may be required to contribute to payments the initial purchasers may be required to make in respect thereof.

Subject to the terms and conditions set forth in the Purchase Agreement, the initial purchasers severally and not jointly, purchased all of the notes sold under the Purchase Agreement if any of these notes are purchased.

The initial purchasers may offer and sell the notes through certain of their affiliates. The initial purchasers initially proposed to offer the notes at the offering price set forth on the cover page hereof. After the initial offering, the offering price may from time to time be varied by the initial purchasers. The initial purchasers reserved the right to reject, cancel or modify an order of notes in whole or in part. The initial purchasers offered the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer’s certificates and legal opinions. The initial purchasers reserved the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The Company has agreed with the initial purchasers that neither it nor any person acting on its behalf will, without the prior written consent of the initial purchasers, for the period from and including the date of the Purchase Agreement through and including the date that is 60 days after the Closing Date, offer, sell, contract to sell or otherwise dispose of any unsecured capital markets debt securities (other than the notes) of, the Company and having a tenor of more than one year.

The notes are new issues of securities with no established trading market.

The initial purchasers are not obligated to make a market in the notes, and, accordingly, no assurance can be given as to the liquidity of, or trading market for, the notes.

In connection with the offering, the initial purchasers may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period after the date of issue of the notes. However, there may be no obligation on the initial purchasers to do this. Such stabilization, if commenced, may be discontinued at any time.

No action has been or will be taken in any jurisdiction that would permit a public offering of the notes or the possession, circulation or distribution of any material relating to the Company in any jurisdiction where action for such purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, nor may any offering material or advertisement in connection with the notes (including this listing memorandum and any amendment or supplement hereto) be distributed or published in or from any country or jurisdiction, except under circumstances that would result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Certain of the initial purchasers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Company and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or the Company's affiliates (including the notes). If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered here. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Pre-Issue Trades Settlement

Delivery of notes has been made against payment therefor on the Closing Date, which was the fifth business day following the date of pricing (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade notes in the United States prior to the date that is one business day prior to delivery of the notes were required, by virtue of the fact the notes will initially settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries may vary and purchasers of notes may be affected by such local settlement practices.

United States

- (a) The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each initial purchaser has represented, warranted and undertaken that it proposes to offer the notes for resale (a) to persons they reasonably believe to be QIBs, within the meaning of Rule 144A under the Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) in "offshore transactions" (as defined

in Rule 902(k) under the Securities Act) in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

- (b) In addition, until 40 days after the commencement of the offering, an offer or sale of any of the notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than in accordance with Rule 144A.

Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in the Canadian National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this listing memorandum (including any amendment thereto) contain a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Prohibition of Sales to EEA Retail Investors

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom Offer Restriction

This listing memorandum is only being distributed to and is only directed at, persons who are outside the UK or persons in the UK that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "relevant person"). In the UK, the notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. This listing memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the UK. Any person in the UK that is not a relevant person should not act or rely on this document or any of its contents.

Prohibition of Sales to UK retail investors

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Chile

The notes being offered will not be registered under the Securities Market Law (*Ley de Mercado de Valores*) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Chilean Financial Markets Commission (*Comisión para el Mercado Financiero*, or the “CMF”) and, therefore, the notes are not subject to the supervision of the CMF. As unregistered securities in Chile, we are not required to disclose public information about the notes in Chile. Accordingly, the notes will not be publicly offered to persons in Chile unless they are registered in the corresponding Securities Registry. The notes, as a general rule, may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule (*Norma de Carácter General*) No. 336 of the CMF, dated June 27, 2012 (“CMF Rule 336”). Pursuant to the Securities Market Law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. However, pursuant to Rule 336, the notes may be privately offered in Chile to certain “qualified investors” (*Inversionistas Calificados*) identified as such therein (which in turn are further described in General Rule No. 216 of the CMF, dated June 12, 2008).

CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: September 2, 2025. The offer of the notes is subject to CMF Rule 336;
2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the CMF, therefore the notes are not being subject to the oversight of the CMF;
3. Since the notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the notes in Chile; and
4. The notes shall not be subject to public offering in Chile unless registered with the corresponding Securities Registry of the CMF.

Singapore

This listing memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the notes may not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and neither this listing memorandum nor any other document or

material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may be circulated, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to an accredited investor (as defined in Section 4A of the SFA pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Solely for the purposes of its obligations pursuant to Sections 309(B)(1)(a) and 309(B)(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”), the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “excluded investment products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

This listing memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any notes other than (1) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (2) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Taiwan

The notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances that constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the notes in Taiwan. The notes may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan.

Australia

No placement document, prospectus, product disclosure statement, or other disclosure document (including as defined in the Corporations Act 2001 (Cth) (“Corporations Act”)) has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”) or any other governmental agency, in relation to the offering. This listing memorandum does not constitute a prospectus, product disclosure statement, or other disclosure document for the purposes of Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement, or other disclosure document under the Corporations Act. No action has been taken which would permit an offering of the notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act.

The notes may not be offered for sale, nor may application for the sale or purchase or any notes be invited in Australia (including an offer or invitation that is received by a person in Australia) and neither this listing memorandum nor any other offering material or advertisement relating to the notes may be distributed or published in Australia unless, in each case:

- (a) the aggregate consideration payable on acceptance of the offer or invitation by each offeree or invitee is at least A\$500,000 (or its equivalent in another currency, in either case, disregarding moneys lent by the person offering the notes or making the invitation or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;
- (b) the offer, invitation, or distribution complied with the conditions of the Australian financial services license of the person making the offer, invitation, or distribution or an applicable exemption from the requirement to hold such license;
- (c) the offer, invitation, or distribution complies with all applicable Australian laws, regulations and directives (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (d) the offer or invitation does not constitute an offer or invitation to a person in Australia who is a “retail client” as defined for the purposes of Section 761G of the Corporations Act; and
- (e) such action does not require any document to be lodged with ASIC or the ASX

Switzerland

This listing memorandum is not intended to constitute, and does not constitute, an offer to the public or solicitation to purchase or invest in the notes described therein.

The notes have not been and will not be publicly offered, directly or indirectly, in Switzerland, within the meaning of the Swiss Financial Services Act (“FinSA”) except (i) to any investor that qualifies as a professional within the meaning of the FinSA, and (ii) in any other circumstance qualifying as an exemption within the meaning of article 36 paragraph 1 of the FinSA, provided in each case, that no such offer of notes referred to in clauses (i) and (ii) above shall require the publication of a prospectus for offers of the notes in Switzerland pursuant to FinSA.

The notes have not been and shall not be admitted to any trading venue (exchange or multilateral trading facility) in Switzerland.

Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, the notes will not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, for the benefit of, any resident of Japan, except pursuant to an exemption from

the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Peru

The notes and the information contained in this listing memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and therefore, the disclosure obligations set forth therein will not be applicable to the Company or the sellers of the notes before or after their acquisition by prospective investors. The notes and the information contained in this listing memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the SMV nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the notes cannot be offered or sold within Peruvian territory except to the extent any such offering, or sale qualified as a private offering under Peruvian regulations and complies with the provisions on private offerings set therein. The notes may not be offered or sold in Peru except in compliance with the securities law thereof.

Colombia

The notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to privately offer the notes to their Colombian clients.

Luxembourg

This listing memorandum has not been approved by and will not be submitted for approval to the Luxembourg Financial Sector Supervisory Authority (*Commission de Surveillance du Secteur Financier*) for purposes of public offering or sale in the Grand Duchy of Luxembourg, and accordingly, the notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this listing memorandum nor any other offering circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except in circumstances which do not constitute an offer of securities to the public, subject to prospectus requirements, in accordance with the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended.

Dubai

The notes have not been and may not be offered to any person in the Dubai International Finance Centre unless such offer is an (a) an “Exempt Offer” in accordance with the Market Rules 2012 of the Dubai Financial Services Authority (the “DFSA”) (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Ireland

The notes will not be offered or sold, and no other action with respect of the notes shall be taken, in Ireland otherwise than in conformity with the provisions of (a) the European Union (Markets in Financial Instruments) Regulations 2017 or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998, (b) the Companies Act 2014, the Central Bank Acts 1942 to 2018 and any code of conduct rules made under Section 117(1) of the Central Bank Act 1989, (c) Regulation (EU) 2017/1129, the European Union (Prospectus) Regulations 2019 and any rules and guidance issued by the

Central Bank under Section 1363 of the Companies Act 2014 and (d) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act 2014.

Italy

The offering of the notes has not been registered pursuant to Italian securities legislation and, accordingly, no notes may be offered, sold or delivered, nor may copies of this listing memorandum or of any other document relating to the notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“Regulation No. 11971”); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the notes or distribution of copies of the listing memorandum or any other document relating to the notes in the Republic of Italy under clause (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Mexico

The notes have not been and will not be registered with the Mexican National Securities Registry (Registro Nacional de Valores) maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) (“CNBV”), and may not be offered or sold publicly in Mexico, except that the notes may be offered to institutional and qualified investors pursuant to the private placement exemption set forth in article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores). The information contained in this listing memorandum is exclusively the responsibility of the Company and has not been reviewed or authorized by the CNBV. The acquisition of the notes by an investor who is a resident of Mexico will be made under such investor’s own responsibility.

ENFORCEMENT OF CIVIL LIABILITIES AND SERVICE OF PROCESS

We are a company organized and incorporated under the laws of England and Wales. Most of our directors, executive officers and controlling persons named herein are non-residents of the United States and substantially all of the assets of such non-resident persons and all of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or us or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States. We will appoint Corporation Service Company as an agent to receive service of process with respect to any action brought against us in any federal or state court in the State of New York arising pursuant to the indenture.

There is also doubt as to the enforceability, in original actions in Chilean courts, of liabilities including those predicated solely on U.S. federal securities laws and as to the enforceability in Chilean courts of judgments of United States courts obtained in actions including those predicated upon the civil liability provisions of U.S. federal securities laws.

No bilateral treaty is currently in effect between the United States and Chile that covers the reciprocal enforcement of civil foreign judgments. In the past, Chilean courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Chile of the United States judgment, in order to ascertain, among other matters, whether Chilean legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case.

LISTING AND GENERAL INFORMATION

Clearing Systems

The notes have been accepted for trading in book-entry form by DTC. For the Rule 144A notes, the ISIN number is US03718NAD84 and the CUSIP number is 03718NAD8. For the Regulation S notes, the ISIN number is USG0399BAC12 and the CUSIP number is G0399BAC1.

Listing

Application has been made to the FCA for the notes to be admitted to the Official List and application will be made to the London Stock Exchange for such notes to be admitted to trading on the Main Market. The Main Market is a regulated market for the purposes of UK MiFIR. Such approval relates only to the notes which are to be admitted to trading on the Main Market for the purposes of the UK MiFIR and/or which are to be offered to the public in the UK.

Documents Available

For so long as the notes are listed on the Main Market of the London Stock Exchange, copies of the following items will be available in electronic form at www.antofagasta.co.uk:

- (a) this listing memorandum;
- (b) the indenture;
- (c) the Issuer's constitutional documents; and
- (d) consolidated audited financial statements of the Issuer for the two most recently completed fiscal years.

Any websites referred to herein do not form part of this listing memorandum.

Validity of the Listing Memorandum and Supplements

This listing memorandum is valid for 12 months. For the avoidance of doubt, the Issuer shall have no obligation to supplement this listing memorandum after the end of the offer or admission to trading of the notes.

Estimate of Expenses

The total expenses related to the admission of the notes to trading on the London Stock Exchange's Main Market are estimated to be £6,850.

Authorization

We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the notes.

On March 12, 2025, our Board authorized the issuance of the notes.

Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 213800MY6QVH4FVLD628.

Yield

The yield of the notes is 5.669%, as calculated on September 2, 2025 on the basis of the issue price of the notes. It is not an indication of future yield.

No Material Adverse Change

Except as disclosed under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” there has been no material adverse change in the prospects of the Issuer since December 31, 2024, the date of the Issuer’s most recent audited consolidated financial statements included in this listing memorandum.

No Significant Change

Except as disclosed under “Management’s Discussion and Analysis Of Financial Condition and Results of Operations—Recent Developments” in this listing memorandum, there has been no significant change in the financial performance and financial position of the Group since June 30, 2025.

Litigation

Except as disclosed under “Management’s Discussion and Analysis Of Financial Condition and Results of Operations—Recent Developments” and “Business—Legal Proceedings” in this listing memorandum, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this listing memorandum which is reasonably likely to have or have had in the recent past a significant effect on the financial position or profitability of the Issuer and/or the Group.

Material Contracts

Except for those contracts entered into in the ordinary course of business of the Group, none of the Issuer nor any other member of the Group has, in the last two years up to the date of this listing memorandum, entered into any material contracts which are not in the ordinary course of the Group’s business and which could result in any member of the Group being under an obligation or entitlement that is material to the Group’s ability to meet its obligations to holders of the notes.

Conflicts of Interest

To the Issuer’s knowledge, there are no existing or potential conflicts of interest between any duties of the directors of the Issuer and their private interest and other duties.

Auditors

The statutory auditor of the Issuer for the period covered by the historical financial information included in this listing memorandum is, with respect to the Interim Unaudited Financial Statements and the 2024 Audited Financial Statements, Deloitte LLP, 2 New Street Square, London EC4A 3BZ, United Kingdom, and with respect to the 2023 Audited Financial Statements and the 2022 Audited Financial Statements, PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH, United Kingdom.

VALIDITY OF THE NOTES

The validity of the notes was passed upon for us by Sullivan & Cromwell LLP, our United States and New York counsel and for the initial purchasers by Milbank LLP, United States and New York counsel for the initial purchasers.

INDEPENDENT AUDITORS

Our consolidated financial statements as of and for the year ended December 31, 2024, which have been 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 and are included in this listing memorandum, have been audited by Deloitte LLP, our independent auditors, as stated in their report appearing herein.

With respect to our condensed consolidated financial statements as of and for the six-month period ended June 30, 2025, which comprise the condensed consolidated balance sheet, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes as of and for the six-month period ended June 30, 2025, included in this listing memorandum, Deloitte LLP reported that they have applied limited procedures in accordance with the professional standards for a review of such information. However, their separate report dated August 13, 2025, included herein, states that they did not audit and they do not express an opinion on that unaudited financial information.

Our consolidated financial statements as of and for each of the years ended December 31, 2023, and December 31, 2022, which have been 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 and are included in this listing memorandum, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their reports appearing herein.

GLOSSARY OF CERTAIN TERMS

- **2022 Audited Financial Statements:** Our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2022, which include the notes thereto.
- **2023 Audited Financial Statements:** Our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2023, which include the notes thereto.
- **2024 Audited Financial Statements:** Our annual audited consolidated financial statements presented in U.S. dollars as of and for the year ended December 31, 2024, which include the notes thereto.
- **Annual Audited Financial Statements:** the 2022 Audited Financial Statements, the 2023 Audited Financial Statements and the 2024 Audited Financial Statements.
- **Antucoya:** Minera Antucoya, a 70%-owned subsidiary incorporated in Chile.
- **Barrick Gold:** Barrick Gold Corporation, incorporated in Canada and our joint venture partner in Zaldívar and formerly Tethyan.
- **Centinela:** Minera Centinela, a 70%-owned subsidiary incorporated in Chile that holds the Centinela Concentrates and Centinela Cathodes operations.
- **Chilean peso:** Chilean currency.
- **COMEX:** A commodity exchange that trades metals such as gold, silver, copper and aluminum.
- **Company:** Antofagasta plc.
- **Directors:** The Directors of the Company.
- **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization. EBITDA is calculated by adding back depreciation, amortization, 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.
- **EIA:** Environmental Impact Assessment.
- **Encuentro:** Copper oxide and sulfide prospect in the Centinela Mining District.
- **Esperanza Sur:** Copper deposit in the Centinela Mining District.
- **FCA:** Financial Conduct Authority, a UK regulatory body.
- **FCAB:** Ferrocarril de Antofagasta a Bolivia, the name of our Transport division.
- **Financial Statements:** The Annual Audited Financial Statements and the Interim Unaudited Financial Statements.

- **FTSE100 Index:** A share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.
- **GAAP:** Generally Accepted Accounting Practice or Generally Accepted Accounting Principles, a collection of commonly followed accounting rules and standards for financial reporting.
- **Group:** Antofagasta plc and its subsidiary companies and its share of its associates and joint ventures.
- **IASB:** International Accounting Standards Board.
- **ICMM:** International Council on Metals and Mining.
- **IFRIC:** International Financial Reporting Standards Interpretations Committee.
- **IFRS:** The UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006.
- **Interim Unaudited Financial Statements:** Our unaudited interim condensed consolidated financial statements presented in U.S. dollars as of and for the six-month period ended June 30, 2025, together with the notes thereto.
- **Los Pelambres:** Minera Los Pelambres, a 60%-owned subsidiary incorporated in Chile.
- **LME:** London Metal Exchange.
- **LSE:** London Stock Exchange.
- **LTIFR:** Lost Time Injury Frequency Rate. The number of accidents with lost time during the year per million hours worked.
- **LTIP:** Long Term Incentive Plan in which the Group's CEO, Executive Committee members and other senior managers participate.
- **Main Market:** The London Stock Exchange's regulated market.
- **Marubeni:** Marubeni Corporation, the Group's 30% minority partner in Centinela and Antucoya.
- **Ministerio del Medio Ambiente:** Chilean Ministry of the Environment.
- **Platts:** A provider of energy and metals information and source of benchmark price assessments.
- **PPA:** Power Purchase Agreement.
- **Quiñenco:** Quiñenco S.A., a Chilean financial and industrial group listed on the Santiago Stock Exchange and controlled by a foundation in which members of the Luksic family are interested.
- **Reko Diq:** A copper-gold deposit in Pakistan, previously a subsidiary of Tethyan.
- **RCA:** Resolucion de Calificación Ambiental, Environmental Approval Resolution.

- **Realized prices:** Effective sale price achieved comparing revenues (grossed up for treatment and refining charges for concentrate) with sales volumes.
- **SEIA:** Chilean Environmental Impact Assessment Service, a government environmental regulator in charge of conducting environmental impact assessments and issuing permits.
- **SERNAGEOMIN:** Servicio Nacional de Geología y Minería, a government agency that provides geological and technical advice and regulates the mining industry in Chile.
- **SMA:** the Bureau of the Environment (*Superintendencia del Medio Ambiente*), an independent agency which audits the issuance of RCAs.
- **SX-EW:** solvent-extraction electrowinning process used to produce copper cathodes at Centinela, Antucoya and Zaldívar.
- **Tesoro:** Copper oxide open pits forming part of the Centinela operation.
- **Tethyan:** The Group had a 50% interest in Tethyan Copper Company Limited (“Tethyan”), which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in Pakistan. In December 2022, Antofagasta entered into definitive agreements to dispose of its 50% interest in the Tethyan joint venture and it is therefore no longer recognized as a joint venture by the Group.
- **Twin Metals Minnesota Project:** A copper, nickel and platinum group metals underground-mining project located in Minnesota, United States.
- **UK:** United Kingdom.
- **U.S.:** United States.
- **U.S. dollar:** United States currency.
- **Zaldívar:** Compañía Minera Zaldívar SpA, a 50-50 joint venture with Barrick Gold, which is operated by the Group.

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*Extracts with respect to our Financial Statements have been taken from our Annual Reports for the years ending December 31, 2024, 2023 and 2022 without material adjustment. Certain documents that are either cross referenced to within the included extracts or noted within the audit report may not appear herein. Such documents are not required to be included in the listing memorandum and such information is not incorporated by reference in, and does not form part of, the listing memorandum.

Condensed Consolidated Income Statement

			Six months ended 30.06.2025 (Unaudited)				Six months ended 30.06.2024 (Unaudited)
	Notes	Excluding exceptional items \$m	Exceptional items note 3 \$m	Total \$m	Excluding exceptional items \$m	Exceptional items note 3 \$m	Total \$m
Revenue	5,6	3,799.4	-	3,799.4	2,955.2	-	2,955.2
Total operating costs		(2,524.6)	-	(2,524.6)	(2,283.9)	-	(2,283.9)
Operating profit	2,5	1,274.8	-	1,274.8	671.3	-	671.3
Net share of results from associates and joint ventures	2,5	33.3	-	33.3	17.2	-	17.2
Operating profit and share of total results from associates and joint ventures	2	1,308.1	-	1,308.1	688.5	-	688.5
Investment income	8	84.6	-	84.6	73.5	-	73.5
Interest expense	8	(177.8)	-	(177.8)	(132.1)	-	(132.1)
Other finance items	8	(52.9)	-	(52.9)	31.7	51.0	82.7
Net finance (expense)/income	8	(146.1)	-	(146.1)	(26.9)	51.0	24.1
Profit before tax		1,162.0	-	1,162.0	661.6	51.0	712.6
Income tax expense	3,9	(424.6)	54.5	(370.1)	(286.8)	(12.7)	(299.5)
Profit for the period		737.4	54.5	791.9	374.8	38.3	413.1
Attributable to:							
Non-controlling interests		270.3	-	270.3	153.5	-	153.5
Owners of the parent		467.1	54.5	521.6	221.3	38.3	259.6
		US cents	US cents	US cents	US cents	US cents	US cents
Basic and diluted earnings per-share ¹	10	47.4	5.5	52.9	22.4	3.9	26.3

1. All earnings in all the periods presented are from continuing operations.

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30.06.2025 (Unaudited)	Six months ended 30.06.2024 (Unaudited)
		\$m	\$m
Profit for the period	5	791.9	413.1
<i>Items that may be or were subsequently reclassified to profit or loss:</i>			
Gains/(loss) on cash flow hedging		24.1	(15.9)
Tax effects arising on cash flow hedges deferred in reserves		(6.5)	4.3
Currency translation adjustment		1.3	(0.8)
Total items that may be or were subsequently reclassified to profit or loss		18.9	(12.4)
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Actuarial (loss) on defined benefit plans		(0.9)	(0.3)
(Loss)/gains on fair value of equity investments	13	(3.1)	33.1
Tax on items recognised directly in equity that will not be reclassified		0.4	0.1
Deferred tax credit/(charge) on equity investment ¹ (see note 3)		44.7	(7.7)
Share of other comprehensive losses of associates and joint ventures, net of tax		(1.9)	(1.9)
Total items that will not be subsequently reclassified to profit or loss		39.2	23.3
Total other comprehensive income		58.1	10.9
Total comprehensive income for the period		850.0	424.0
Attributable to:			
Non-controlling interests		275.2	149.9
Owners of the parent		574.8	274.1
Total comprehensive income for the period - continuing operations			
		850.0	424.0
		850.0	424.0

¹ During the first six months of 2025 a deferred tax credit of \$44.7 million was recognised in reserves, due to the derecognition of the deferred tax liability in respect of the Group's investment in Buenaventura. Please refer to Note 3 for further information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30.06.2025

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2025	89.8	199.2	112.2	9,061.0	9,462.2	3,492.0	12,954.2
Capital increase ¹	-	-	-	-	-	115.8	115.8
Agreement to acquire non-controlling interest ²	-	-	-	(80.0)	(80.0)	-	(80.0)
Profit for the period	-	-	-	521.6	521.6	270.3	791.9
Other comprehensive income for the period	-	-	55.3	(2.1)	53.2	4.9	58.1
Total comprehensive income for the period	-	-	55.3	519.5	574.8	275.2	850.0
Dividends	-	-	-	(231.7)	(231.7)	(40.0)	(271.7)
Balance at 30 June 2025 (unaudited)	89.8	199.2	167.5	9,268.8	9,725.3	3,843.0	13,568.3

¹ Related to Marubeni's capital contribution of \$115.8 million in Centinela.

² Related to the agreement to acquire the remaining stake in Antomin Investors Limited, as detailed in Note 17.

For the six months ended 30.06.2024

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2024	89.8	199.2	104.5	8,558.4	8,951.9	3,096.5	12,048.4
Capital increase ¹	-	-	-	-	-	39.7	39.7
Profit for the period	-	-	-	259.6	259.6	153.5	413.1
Other comprehensive income for the period	-	-	16.5	(2.0)	14.5	(3.6)	10.9
Total comprehensive income for the period	-	-	16.5	257.6	274.1	149.9	424.0
Dividends	-	-	-	(239.6)	(239.6)	-	(239.6)
Balance at 30 June 2024 (unaudited)	89.8	199.2	121.0	8,576.4	8,986.4	3,286.1	12,272.5

¹ Related to Marubeni's capital contribution of \$39.7 million in Centinela.

Condensed Consolidated Balance Sheet

		At 30.06.2025 (Unaudited)	At 31.12.2024
	Notes	\$m	\$m
Non-current assets			
Property, plant and equipment	12	14,938.4	13,917.0
Inventories		742.1	707.8
Investments in associates and joint ventures	13	1,793.4	1,776.1
Trade and other receivables		55.3	54.4
Equity investments		11.3	11.6
Deferred tax assets		4.2	9.7
		17,544.7	16,476.6
Current assets			
Inventories		812.0	925.1
Trade and other receivables		1,021.2	899.5
Current tax assets		118.5	17.4
Liquid investments	16	1,976.8	2,127.1
Cash and cash equivalents	16	2,600.9	2,189.2
		6,529.4	6,158.3
Total assets		24,074.1	22,634.9
Current liabilities			
Short-term borrowings and other financial liabilities	14	(421.0)	(1,322.5)
Trade and other payables		(1,214.8)	(1,320.3)
Derivative financial instruments	7	(1.4)	(20.4)
Short-term decommissioning and restoration provisions		(4.2)	(5.9)
Current tax liabilities		(163.6)	(106.4)
		(1,805.0)	(2,775.5)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	14	(6,444.4)	(4,622.9)
Trade and other payables		(5.2)	(10.2)
Derivative financial instruments		-	(5.1)
Post-employment benefit obligations		(167.1)	(152.2)
Decommissioning and restoration provisions		(430.2)	(422.1)
Deferred tax liabilities		(1,653.9)	(1,692.7)
		(8,700.8)	(6,905.2)
Total liabilities		(10,505.8)	(9,680.7)
Net assets		13,568.3	12,954.2
Equity			
Share capital		89.8	89.8
Share premium		199.2	199.2
Other reserves		(4.5)	(18.2)
Retained earnings		9,440.8	9,191.4
Equity attributable to owners of the parent		9,725.3	9,462.2
Non-controlling interests		3,843.0	3,492.0
Total equity		13,568.3	12,954.2

The condensed consolidated interim financial statements were approved by the Board of Directors on 13 August 2025.

Condensed Consolidated Cash Flow Statement

		At 30.06.2025 (Unaudited) \$m	At 30.06.2024 (Unaudited) \$m
	Notes		
Cash flows from operations	15	1,812.0	1,483.9
Interest paid		(236.8)	(129.8)
Income tax paid		(421.4)	(316.8)
Net cash from operating activities		1,153.8	1,037.3
Investing activities			
Dividends from associates and joint ventures		14.5	3.5
Proceeds from sale of property plant and equipment		-	0.2
Purchases of property, plant and equipment		(1,620.4)	(1,059.5)
Net increase/(decrease) in liquid investments	16	146.6	(648.9)
Interest received		101.9	52.5
Net cash used in investing activities		(1,357.4)	(1,652.2)
Financing activities			
Dividends paid to owners of the parent		(231.7)	(239.6)
Dividends paid to preference shareholders of the Company		(0.1)	(0.1)
Dividends paid to non-controlling interests		(40.0)	-
Capital increase from non-controlling interest ¹		115.8	39.7
Agreement to acquire non-controlling interest	17	(80.0)	-
Proceeds from other financial liabilities		-	600.0
Proceeds from issue of new borrowings		2,257.3	1,564.8
Repayment of borrowings		(1,354.3)	(408.3)
Principal elements of lease payments		(56.3)	(74.5)
Repayment of other financial liabilities		(5.2)	-
Net cash from/financing activities		605.5	1,482.0
Net increase in cash and cash equivalents	16	401.9	867.1
Cash and cash equivalents at beginning of the period		2,189.2	644.7
Net increase in cash and cash equivalents	16	401.9	867.1
Effect of foreign exchange rate changes	16	9.8	(3.3)
Cash and cash equivalents at end of the period	16	2,600.9	1,508.5

¹ Related to Marubeni's capital contribution of \$115.8 million in Centinela (six months ended 30 June 2024 - \$39.7 million).

Notes

1. General information and accounting policies

a) General information

These condensed consolidated interim financial statements ("the interim financial statements") of the Antofagasta plc Group for the half-year reporting period ended 30 June 2025 were approved for issue by the Board of Directors of the Company on 13 August 2025. The interim financial statements are unaudited.

These interim financial statements have been prepared under the accounting policies as set out in the statutory accounts for the period ended 31 December 2024.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These interim financial statements do not include all of the notes of the type normally included in annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024. Accordingly, the consolidated financial information is not in full accordance with to or of IFRS Accounting Standards issues by the IASB and endorsed for the UK. The consolidated financial information has been prepared on the going concern basis.

The information contained in this announcement for the periods ended 30 June 2024 and 31 December 2024 also does not constitute statutory accounts. A copy of the statutory accounts for the year ended 31 December 2024 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.

Going concern

The Directors have assessed the going concern status of the Group, considering a period of at least 12 months from the date of approval of these condensed consolidated interim financial statements.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Financial and Operating Review. 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 condensed consolidated financial statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 16, and details of borrowings are set out in Note 14.

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 30 June 2025, with combined cash, cash equivalents and liquid investments of \$4,577.7 million. Total borrowings and other financial liabilities were \$6,865.4 million, resulting in a net debt position of \$2,287.7 million. Of the total borrowings, only 6% is repayable within one year, and an additional 9% 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. This analysis has focused on the existing asset base of the Group, without factoring in potential development projects, which is considered appropriate for an assessment of the Group's ability to manage the impact of a depressed economic environment. The analysis has only included the drawdown of existing committed borrowing facilities and has not assumed that any new borrowing facilities will be put in place. 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 downside sensitivity analyses have been performed, assessing the impact of each of:

- A significant deterioration in the future copper price forecasts by an average of 10% throughout the going concern period,
- An even more pronounced short-term reduction of a further 50 c/lb in the copper price for a period of three months, in addition to the above deterioration of 10% in the copper price throughout the review period,
- The risk of capital expenditure overruns in respect of the Second Concentrator Project at Centinela, the Desalination Plant Expansion, Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres. In the case of the Second Concentrator Project at Centinela, given the timescale of the project, we have concluded that this is not likely to result in a significant impact during the going concern review period. In the case of the Desalination Plant Expansion, Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres, we have included the impact of a 20% overrun in the downside sensitivity analysis, and
- A shutdown of any one 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 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 and viability, the Directors have formed a judgement, at the time of approving the condensed consolidated interim 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 a period of at least 12 months from the date of approval of these condensed consolidated interim financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

b) Adoption of new 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 these interim financial statements and should be read in conjunction with the consolidated FS for the yr ended 31 Dec 2024:

Amendments	Effective date
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025.

c) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, 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, except for IFRS 18. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss,
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and
- improve aggregation and disaggregation.

The Group is currently assessing the impact of IFRS 18, and the preliminary assessment indicates that the presentation of the net share of results from associates and joint ventures is expected to be shown within investing activities, rather than being part of operating profit or loss. Further changes upon the implementation of IFRS 18 may be required.

The following standards are effective after 1 January 2025 (and subject to UK endorsement):

Standards	Effective date
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after 1 January 2026.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after 1 January 2026.
Presentation and Disclosures in Financial Statements (IFRS 18) ¹	Annual periods beginning on or after 1 January 2027.
IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19) ¹	Annual periods beginning on or after 1 January 2027.
Amendments to IFRS	Effective date
Classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7) ¹	Annual periods beginning on or after 1 January 2026.

¹These amendments are still subject to UK endorsement.

d) Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements and key estimates applied in these interim financial statements are:

Judgements

Non-financial assets impairment indicators:

The Group reviews the carrying value of its intangible assets and property, plant and equipment, as well as its investments in its associates and joint ventures, to determine whether there is an indication that those assets are impaired. As at 30 June 2025 the following assessments have been performed:

- **Buenaventura:** It has been determined that, as of 30 June 2025, there were indicators of a potential impairment in relation to the Group's investment in associate balance in respect of Compañía de Minas Buenaventura S.A.A. ("Buenaventura"). Accordingly, as detailed in Note 13, an estimate of the recoverable amount of the Buenaventura investment in associate balance has been performed. The recoverable amount indicated by this assessment was above the carrying value of the investment in associate balance, and accordingly no impairment is required or appropriate as at 30 June 2025.
- **Zaldívar:** It has been determined that, as of 30 June 2025, there were indicators of a potential impairment in relation to the Group's investment in joint venture balance in respect of Zaldívar; in particular, considering changes to its life-of-mine plans and the operational performance during the first six months of 2025. Accordingly, as detailed in Note 4, an estimate of the recoverable amount of the Zaldívar investment in joint venture balance has been performed. The recoverable amount indicated by this assessment was above the carrying value of the investment in joint venture balance, and accordingly no impairment is required or appropriate as at 30 June 2025.

Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group has identified the following estimates and assumptions which are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months:

- The estimate of the recoverable amount of the Zaldivar investment in joint venture balance, as detailed in Note 4, reflects certain key estimates and assumptions. Details of the key assumptions and relevant sensitivities in respect the estimate of the recoverable amount are set out in Note 4.

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

	Six months ended 30.06.2025	Six months ended 30.06.2024
	\$m	\$m
Revenue	3,799.4	2,955.2
Cost of sales	(2,090.2)	(1,852.5)
Gross profit	1,709.2	1,102.7
Administrative and distribution expenses	(305.0)	(299.8)
Other operating income	26.4	24.5
Other operating expenses ¹	(155.8)	(156.1)
Operating profit	1,274.8	671.3
Net share of results from associates and joint ventures	33.3	17.2
Operating profit and share of total results from associates and joint ventures	1,308.1	688.5

¹ Other operating expenses comprise \$25.7 million of exploration and evaluation expenditure (six months ended 30 June 2024 - \$26.8 million), \$11.2 million in respect of the employee severance provision (six months ended 30 June 2024 - \$9.0 million), \$0.3 million in respect of the closure provision (six months ended 30 June 2024 - \$0.4 million), and \$118.6 million of other expenses (including Medium-term and long-term drilling costs & evaluation of \$33.3 million (six months ended 30 June 2024 - \$45.4 million), costs of community programmes of \$33.5 million (six months ended 30 June 2024- \$44.6 million), the “ad valorem” element of the new mining royalty of \$13.8 million (six months ended 30 June 2024- \$13.0 million), and other expenses of \$38.0 million (six months ended 30 June 2024- \$16.9 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 tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the underlying earnings generated by the ongoing businesses of the Group.

Compañía de Minas Buenaventura S.A.A

During 2023, the Group entered into an agreement to acquire up to an additional 30 million shares in Buenaventura. Prior to completion, the agreement was accounted for at fair value through profit and loss. From March 2024 onwards, the Group was considered to have significant influence over Buenaventura (in accordance with the IAS 28 Investments in Associates and Joint Ventures definition). Accordingly, the Group’s interest in Buenaventura has been accounted for as an investment in associate from that date.

An exceptional fair value gain of \$51.0 million was recognised during the first six months of 2024 in respect of the agreement. A deferred tax expense of \$12.7 million was recognised in respect of this gain, resulting in a post-tax impact of \$38.3 million.

During the first six months of 2025, an exceptional deferred tax credit of \$54.5 million was recognised in the income statement, due to the derecognition of the deferred tax liability which had been previously recognised through the income statement in relation to the agreement, as the requirements of the UK Substantial shareholdings exemption were met during the period.

A further deferred tax credit of \$44.7 million has been recognised in Other Comprehensive Income, due to the derecognition of the deferred tax liability which had been previously recognised through Other Comprehensive Income in relation to the Group’s existing shareholding in Buenaventura.

4. Impairment reviews and asset sensitivities

Zaldívar

It has been determined that, as of 30 June 2025, there were indicators of a potential impairment in relation to the Group's investment in joint venture balance in respect of Zaldívar; in particular, considering changes to its life-of-mine plans and the operational performance during the first six months of 2025. Accordingly, an impairment review was performed as at 30 June 2025. The review concluded that the recoverable amount of the investment balance was above its carrying value, and accordingly no impairment was required or appropriate.

This review has been based on the fair value less costs of disposal for the investment balance, reflecting the Group's current estimate of the net amount it would expect to receive from the sale of the investment in an orderly transaction between potential market participants. This value has been estimated based on discounted cash flow models in respect of Zaldívar operation and projects, as well as the valuation of additional mineral resource potential based on resource multiples. The key assumptions used in this review are listed below.

Copper price outlook

The assumption to which the value of the investment 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 consensus analyst forecasts. A long-term copper price of \$4.50/lb (reflecting 2025 real terms) has been used in the model, which has increased from \$4.15/lb (reflecting 2024 real terms) at the prior year-end.

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\$870/\$1 has been used in the model. This compares with the long-term exchange rate of Ch\$850/\$1 used at the 2024 year-end.

Discount rate

A real post-tax discount rate of 8% (31 December 2024 – 8%), calculated using relevant market data, has been applied in the model.

Climate-related impacts

The impairment review reflects the Group's estimates of potential future climate-related impacts. The Group's Annual Report provides disclosures 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. The results of this scenario analysis have been considered as part of this review.

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 model is sensitive to the assumptions in respect of future production levels, operating costs and sustaining and development capital expenditure. The relevant operational assumptions include the following particular aspects:

- Zaldívar's EIA application, extending the operation's mining and water environmental permits to 2051, and allowing the development of the primary sulphides ore deposit, was approved in May 2025. The permit approval includes a transitional period whereby Zaldívar's existing continental water extraction permit has been extended to 2028, after which time the mine must transition its water supply to either seawater or water from third parties. The impairment valuation model includes the forecast costs of an alternative water source to be implemented by 2028, allowing the continued operation of the mine without interruption. The model assumes that the primary sulphides deposit will be developed, and also that Zaldívar will process a portion of the residual copper contained within its existing tailings deposit.
- The mining of certain parts of Zaldívar's ore deposit are subject to agreements or easements to access these areas and to relocate certain infrastructure owned by third parties. The impairment valuation model assumes that the necessary agreements, easements and permits will be obtained to allow the mining of these parts of the ore deposit.

Conclusion

The recoverable amount indicated by this assessment was above the carrying value of the investment in joint venture balance, and accordingly no impairment is required or appropriate as at 30 June 2025.

The assumption to which the estimation of the recoverable amount is most sensitive is the future copper price. A down-side sensitivity was performed with a long-term copper price of \$4.05/lb, reflecting a 10% reduction in the long-term price forecast. This indicated a potential deficit of approximately \$175 million (on a 50% attributable basis) for the Zaldívar investment balance. This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. 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 operation'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 this potential down-side sensitivity.

Other Mining Operations

There were no indicators of potential impairment for the Group's non-current assets associated with its other mining operations as at 30 June 2025, 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 as adjusted for certain assumptions (including potential future development opportunities) ("the models"). These models provide indicative valuations and do not represent, or comply with, a formal impairment assessment prepared in accordance with IAS 36.

No qualitative indicators of potential 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 the Group's other mining operations, with the indicated value of the assets in excess of their carrying value.

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, gold and silver 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 the Company, 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.

During the six-month period to 30 June 2025, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss' to the bottom of the page 11' as required by IAS 34.16A.g.v

a) Segment revenues and results

For the six months ended 30.06.2025 (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	1,823.6	1,508.4	381.5	-	-	-	3,713.5	85.9	3,799.4
Operating costs excluding depreciation	(745.8)	(570.3)	(223.8)	-	(25.7)	(46.9)	(1,612.5)	(52.1)	(1,664.6)
Depreciation	(307.3)	(452.3)	(74.2)	-	-	(6.0)	(839.8)	(17.9)	(857.7)
Loss on disposals	-	(2.3)	-	-	-	-	(2.3)	-	(2.3)
Operating profit/(loss)	770.5	483.5	83.5	-	(25.7)	(52.9)	1,258.9	15.9	1,274.8
Net share of results from associates and joint ventures	-	-	-	0.7	-	32.3	33.0	0.3	33.3
Operating profit and share of total results from associates and joint ventures	770.5	483.5	83.5	0.7	(25.7)	(20.6)	1,291.9	16.2	1,308.1
Investment income	17.1	26.5	4.6	-	-	35.5	83.7	0.9	84.6
Interest expense	(82.6)	(46.9)	(12.8)	-	-	(35.4)	(177.7)	(0.1)	(177.8)
Other finance items (excluding exceptional items)	(26.4)	(20.4)	(5.0)	-	-	(2.1)	(53.9)	1.0	(52.9)
Profit/(loss) before tax	678.6	442.7	70.3	0.7	(25.7)	(22.6)	1,144.0	18.0	1,162.0
Tax	(236.6)	(132.3)	(15.6)	-	-	(34.0)	(418.5)	(6.1)	(424.6)
Tax - exceptional items ³	-	-	-	-	-	54.5	54.5	-	54.5
Profit/(loss) for the period	442.0	310.4	54.7	0.7	(25.7)	(2.1)	780.0	11.9	791.9
Non-controlling interests	168.4	90.5	11.5	-	-	(0.1)	270.3	-	270.3
Profit/(losses) attributable to the owners of the parent	273.6	219.9	43.2	0.7	(25.7)	(2.0)	509.7	11.9	521.6
EBITDA¹	1,077.8	938.1	157.7	48.0	(25.7)	1.7	2,197.6	36.6	2,234.2
Capital Expenditure (cash basis)	436.0	1,122.9	43.2	-	-	2.5	1,604.6	15.8	1,620.4
Segment assets and liabilities									
Segment assets	8,932.1	9,286.6	2,172.4	-	-	1,453.1	21,844.2	436.5	22,280.7
Investments in associates and joint ventures	-	-	-	893.8	-	890.3	1,784.1	9.3	1,793.4
Segment liabilities	(4,807.7)	(3,183.1)	(577.2)	-	-	(1,878.2)	(10,446.2)	(59.6)	(10,505.8)

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 \$20.3 million.

³ An exceptional deferred tax credit of \$54.5 million was recognised during the first six months of 2025, due to the derecognition of the deferred tax liability in respect of the Group's agreement to acquire shares in Buenaventura, as the requirements of the UK Substantial shareholdings exemption were met during the period. See Notes 3 and 13.

For the six months ended 30.06.2024 (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	1,526.7	970.8	359.7	-	-	-	2,857.2	98.0	2,955.2
Operating costs excluding depreciation	(641.6)	(640.9)	(225.8)	-	(26.8)	(42.4)	(1,577.5)	(59.2)	(1,636.7)
Depreciation	(209.5)	(359.8)	(55.8)	-	-	(4.9)	(630.0)	(17.2)	(647.2)
Operating profit/(loss)	675.6	(29.9)	78.1	-	(26.8)	(47.3)	649.7	21.6	671.3
Net share of results from associates and joint ventures	-	-	-	6.7	-	10.3	17.0	0.2	17.2
Operating profit and share of total results from associates and joint ventures	675.6	(29.9)	78.1	6.7	(26.8)	(37.0)	666.7	21.8	688.5
Investment income	16.4	15.4	3.7	-	-	37.6	73.1	0.4	73.5
Interest expense	(59.9)	(24.1)	(15.5)	-	-	(32.4)	(131.9)	(0.2)	(132.1)
Other finance items (Excluding exceptional items)	10.0	17.4	3.4	-	-	2.0	32.8	(1.1)	31.7
Fair value gain on other financial assets - exceptional items ³	-	-	-	-	-	51.0	51.0	-	51.0
Profit/(loss) before tax	642.1	(21.2)	69.7	6.7	(26.8)	21.2	691.7	20.9	712.6
Tax	(259.0)	3.7	(18.1)	-	-	(9.2)	(282.6)	(4.2)	(286.8)
Tax - exceptional items ³	-	-	-	-	-	(12.7)	(12.7)	-	(12.7)
Profit/(loss) for the period	383.1	(17.5)	51.6	6.7	(26.8)	(0.7)	396.4	16.7	413.1
Non-controlling interests	152.1	(6.9)	9.2	-	-	(0.9)	153.5	-	153.5
Profit/(losses) attributable to the owners of the parent	231.0	(10.6)	42.4	6.7	(26.8)	0.2	242.9	16.7	259.6
EBITDA¹	885.1	329.9	133.9	50.9	(26.8)	(21.1)	1,351.9	42.5	1,394.4
Capital Expenditure (cash basis)	355.1	631.3	52.1	-	-	1.7	1,040.2	19.3	1,059.5
Segment assets and liabilities									
Segment assets	8,104.0	7,438.6	1,884.6	-	-	2,178.6	19,605.8	419.0	20,024.8
Investments in associates and joint ventures	-	-	-	886.1	-	820.9	1,707.0	10.0	1,717.0
Segment liabilities	(4,128.4)	(2,764.4)	(524.6)	-	-	(1,994.9)	(9,412.3)	(57.0)	(9,469.3)

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 \$24.0 million.

³ An exceptional fair value gain of \$51.0 million was recognised during the first six months of 2024 in respect of the Group's agreement to acquire shares in Buenaventura. A deferred tax expense of \$12.7 million was recognised in respect of this gain, resulting in a post-tax impact of \$38.3 million. See Notes 3 and 13.

b) Entity wide disclosures

Revenue by product

	Six months ended 30.06.2025	Six months ended 30.06.2024
	\$m	\$m
Copper		
- Los Pelambres	1,442.8	1,221.2
- Centinela concentrates	787.7	363.9
- Centinela cathodes	389.4	436.0
- Antucoya	378.4	356.5
Provision of shipping services		
- Los Pelambres	30.7	28.2
- Centinela concentrates	15.7	10.6
- Centinela cathodes	2.8	3.4
- Antucoya	3.0	3.2
Gold		
- Los Pelambres	80.7	39.9
- Centinela concentrates	223.7	100.9
Molybdenum		
- Los Pelambres	236.4	217.3
- Centinela concentrates	74.8	48.7
Silver		
- Los Pelambres	33.1	20.0
- Centinela concentrates	14.3	7.4
Total Mining	3,713.5	2,857.2
Transport division	85.9	98.0
	3,799.4	2,955.2

Revenue by location of customer

	Six months ended 30.06.2025	Six months ended 30.06.2024
	\$m	\$m
Europe		
- United Kingdom	10.9	15.8
- Switzerland	266.2	142.2
- Spain	13.8	46.8
- Germany	200.8	35.2
- Rest of Europe	51.8	116.7
Latin America		
- Chile	206.7	200.9
- Rest of Latin America	219.0	140.4
North America		
- United States	314.6	110.4
Asia Pacific		
- Japan	1,143.7	964.7
- China	732.9	640.0
- Singapore	181.7	170.8
- South Korea	205.7	193.0
- Hong Kong	222.4	56.2
- Rest of Asia	29.2	122.1
	3,799.4	2,955.2

Information about major customers

In the first half of 2025, the Group's mining revenue included \$744.2 million related to one large customer that individually accounted for more than 10% of the Group's revenue (six months ended 30 June 2024 – one large customer representing \$446.6 million)

6. Revenue

Copper, molybdenum, gold and silver 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.

A significant proportion of the Group's copper sales are 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. 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:

	Six months ended 30.06.2025 \$m	Six months ended 30.06.2024 \$m
Revenue from contracts with customers		
Sale of products	3,447.8	2,662.8
Provision of shipping services associated with the sale of products	52.2	45.4
Transport division ¹	85.9	98.0
Provisional pricing adjustments in respect of copper, gold, molybdenum and silver	213.5	149.0
Total revenue	3,799.4	2,955.2

¹The 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, and treatment and refining charges for the more significant products. The revenue from these products, which includes, for the sale of copper, revenue associated with the provision of shipping services, is reconciled to total revenue in Note 5(b).

For the period ended 30 June 2025

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Los Pelambres Copper concentrate	Centinela Copper concentrate	Centinela Copper cathodes	Antucoya Copper cathodes	Los Pelambres Gold in concentrate	Centinela Gold in concentrate	Los Pelambres Molybdenum concentrate	Centinela Molybdenum concentrate	Los Pelambres Silver concentrate	Centinela Silver concentrate	Total
Provisionally priced sales of products	1,341.5	743.5	384.0	376.2	76.2	206.4	252.9	75.7	33.1	14.8	3,504.3
Revenue from freight services	30.7	15.7	2.8	3.0	-	-	-	-	-	-	52.2
	1,372.2	759.2	386.8	379.2	76.2	206.4	252.9	75.7	33.1	14.8	3,556.5
Effects of pricing adjustments to previous year invoices											
Reversal of mark-to-market adjustments at the end of the previous year	40.1	22.0	1.4	1.4	-	0.4	4.0	0.5	-	-	69.8
Settlement of sales invoiced in the previous year	22.8	9.6	0.5	0.3	2.0	1.3	(8.8)	2.6	(0.2)	(0.4)	29.7
Total effect of adjustments to previous year invoices in the current year	62.9	31.6	1.9	1.7	2.0	1.7	(4.8)	3.1	(0.2)	(0.4)	99.5
Effects of pricing adjustments to current period invoices											
Settlement of sales invoiced in the current period	23.3	11.6	3.4	0.5	2.6	14.4	(0.1)	(1.4)	0.4	0.1	54.8
Mark-to-market adjustments at the end of the current period	29.4	16.4	0.1	-	-	1.5	8.6	3.2	-	-	59.2
Total effect of adjustments to current period invoices	52.7	28.0	3.5	0.5	2.6	15.9	8.5	1.8	0.4	0.1	114.0
Total pricing adjustments	115.6	59.6	5.4	2.2	4.6	17.6	3.7	4.9	0.2	(0.3)	213.5
Revenue before deducting treatment & refining charges	1,487.8	818.8	392.2	381.4	80.8	224.0	256.6	80.6	33.3	14.5	3,770.0
Treatment and refining charges	(14.3)	(15.4)	-	-	(0.1)	(0.3)	(20.2)	(5.8)	(0.2)	(0.2)	(56.5)
Revenue net of tolling charges	1,473.5	803.4	392.2	381.4	80.7	223.7	236.4	74.8	33.1	14.3	3,713.5

For the period ended 30 June 2024

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Los Pelambres Copper concentrate	Centinela Copper concentrate	Centinela Copper cathodes	Antucoya Copper cathodes	Los Pelambres Gold in concentrate	Centinela Gold in concentrate	Los Pelambres Molybdenum concentrate	Centinela Molybdenum concentrate	Los Pelambres Silver concentrate	Centinela Silver concentrate	Total
Provisionally priced sales of products	1,211.7	355.8	431.8	350.1	39.4	98.3	210.0	45.5	20.3	7.3	2,770.2
Revenue from freight services	28.2	10.6	3.4	3.2	-	-	-	-	-	-	45.4
	1,239.9	366.4	435.2	353.3	39.4	98.3	210.0	45.5	20.3	7.3	2,815.6
Effects of pricing adjustments to previous year invoices											
Reversal of mark-to-market adjustments at the end of the previous year	(45.1)	(16.2)	(0.3)	(0.2)	-	(2.6)	1.0	0.4	-	-	(63.0)
Settlement of sales invoiced in the previous year	62.5	28.2	(1.0)	(0.9)	(0.4)	1.5	3.3	1.6	(0.7)	-	94.1
Total effect of adjustments to previous year invoices in the current year	17.4	12.0	(1.3)	(1.1)	(0.4)	(1.1)	4.3	2.0	(0.7)	-	31.1
Effects of pricing adjustments to current period invoices											
Settlement of sales invoiced in the current period	71.1	25.1	6.6	8.2	1.0	3.7	10.2	3.3	0.7	0.2	130.1
Mark-to-market adjustments at the end of the current period	(12.0)	(5.4)	(1.1)	(0.7)	-	0.1	5.2	1.8	-	-	(12.1)
Total effect of adjustments to current period invoices	59.1	19.7	5.5	7.5	1.0	3.8	15.4	5.1	0.7	0.2	118.0
Total pricing adjustments	76.5	31.7	4.2	6.4	0.6	2.7	19.7	7.1	-	0.2	149.1
Revenue before deducting treatment & refining charges	1,316.4	398.1	439.4	359.7	40.0	101.0	229.7	52.6	20.3	7.5	2,964.7
Treatment and refining charges	(67.0)	(23.6)	-	-	(0.1)	(0.1)	(12.4)	(3.9)	(0.3)	(0.1)	(107.5)
Revenue net of tolling charges	1,249.4	374.5	439.4	359.7	39.9	100.9	217.3	48.7	20.0	7.4	2,857.2

(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 30.06.2025	At 30.06.2024
Sales provisionally priced at the balance sheet date	Tonnes	129,700	112,400
Average mark-to-market price	\$/lb	4.49	4.33
Average provisional invoice price	\$/lb	4.33	4.42

(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 30.06.2025	At 30.06.2024
Sales provisionally priced at the balance sheet date	Tonnes	12,100	14,300
Average mark-to-market price	\$/lb	4.51	4.30
Average provisional invoice price	\$/lb	4.50	4.36

(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 30.06.2025	At 30.06.2024
Sales provisionally priced at the balance sheet date	Ounces	20,600	10,500
Average mark-to-market price	\$/oz	3,313	2,337
Average provisional invoice price	\$/oz	3,242	2,329

(iv) Molybdenum concentrate

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

		At 30.06.2025	At 30.06.2024
Sales provisionally priced at the balance sheet date	Tonnes	4,100	2,700
Average mark-to-market price	\$/lb	21.87	23.20
Average provisional invoice price	\$/lb	20.55	21.95

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 is shown below.

	<u>Effect on debtors of period and year end</u>	
	<u>mark-to-market adjustments</u>	
	Six months ended	Six months ended
	30.06.2025	30.06.2024
	\$m	\$m
Los Pelambres - copper concentrate	29.4	(12.0)
Los Pelambres - molybdenum concentrate	8.6	5.2
Centinela - copper concentrate	16.4	(5.4)
Centinela - molybdenum concentrate	3.2	1.8
Centinela - gold in concentrate	1.5	0.1
Centinela - copper cathodes	0.1	(1.1)
Antucoya - copper cathodes	-	(0.7)
	<u>59.2</u>	<u>(12.1)</u>

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 period ended 30.06.2025					
	At fair value through profit and loss	At fair value through other comprehensive income	Derivative instruments at fair value, designated as hedges	Held at amortised cost	Total
	\$m	\$m	\$m	\$m	\$m
<i>Financial assets</i>					
Equity investments	-	11.3	-	-	11.3
Trade and other receivables	696.8	-	-	190.4	887.2
Cash and cash equivalents	239.6	-	-	2,361.3	2,600.9
Liquid investments	1,976.8	-	-	-	1,976.8
	2,913.2	11.3	-	2,551.7	5,476.2
<i>Financial liabilities</i>					
Derivative financial instruments	-	-	(1.4)	-	(1.4)
Trade and other payables	-	-	-	(1,089.1)	(1,089.1)
Borrowings and other financial liabilities	-	-	-	(6,865.4)	(6,865.4)
	-	-	(1.4)	(7,954.5)	(7,955.9)
For the year ended 31.12.2024					
	At fair value through profit and loss	At fair value through other comprehensive income	Derivative instruments at fair value, designated as hedges	Held at amortised cost	Total
	\$m	\$m	\$m	\$m	\$m
<i>Financial assets</i>					
Equity investments	-	11.6	-	-	11.6
Trade and other receivables	669.1	-	-	129.3	798.4
Cash and cash equivalents	124.3	-	-	2,064.9	2,189.2
Liquid investments	2,127.1	-	-	-	2,127.1
	2,920.5	11.6	-	2,194.2	5,126.3
<i>Financial liabilities</i>					
Derivative financial instruments	-	-	(25.5)	-	(25.5)
Trade and other payables	-	-	-	(1,177.4)	(1,177.4)
Borrowings and other financial liabilities	-	-	-	(5,945.4)	(5,945.4)
	-	-	(25.5)	(7,122.8)	(7,148.3)

The fair value of the fixed rate bonds (Corporatec) included within the “Borrowings” category in Note 14 was \$1,729.4 million at 30 June 2025 compared with their carrying value of \$1,731.3 million (year ended 31 December 2024 - fair value of \$1,630.5 million compared with their carrying value of \$1,729.0 million).

The fair value of the fixed rate bonds (Los Pelambres) included within the “Borrowings” category in Note 14 was \$1,710.6 million at 30 June 2025 compared with their carrying value of \$1,527.3 million.

The fair value of the fixed rate borrowings included within the “Other loans” category in Note 14 was \$158.8 million at 30 June 2025 compared with their carrying value of \$150.0 million (year ended 31 December 2024 - fair value of \$700.5 million compared with their carrying value of \$670.0 million). This fair value was calculated using market rates at the period end. These are level 2 inputs as described below.

The fair value of the fixed rate other financial liabilities balance shown in Note 14 was \$832.4 million at 30 June 2025 compared with its carrying value of \$588.8 million (year ended 31 December 2024 - fair value of \$756.9 million at 31 December 2024 compared with its carrying value of \$594.0 million). This fair value was calculated using market rates at the period end. These are level 2 inputs as described below.

The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

The following tables reconcile between the total trade and other receivables and trade and other payables balances on the balance sheet with the financial instrument amounts included in this note:

	Six months ended 30.06.2025	Year ended 31.12.2024
<i>Financial assets</i>		
Trade and other receivables (non-current) per balance sheet	55.3	54.4
Trade and other receivables (current) per balance sheet	1,021.2	899.5
Total trade and other receivables per balance sheet	1,076.5	953.9
Less: non-financial assets (including prepayments and VAT receivables)	(189.3)	(155.5)
Total trade and other receivables	887.2	798.4
<i>Financial liabilities</i>		
Trade and other payables (current) per balance sheet	(1,214.8)	(1,320.3)
Trade and other payables (non-current) per balance sheet	(5.2)	(10.2)
Total trade and other payables per balance sheet	(1,220.0)	(1,330.5)
Less: non-financial liabilities (including VAT payables)	130.9	153.1
Total trade and other payables	(1,089.1)	(1,177.4)

Fair value of financial instruments

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

	For the period ended 30.06.2025			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<i>Financial assets</i>				
Equity investments (a)	11.3	-	-	11.3
Trade and other receivables (b)	-	696.8	-	696.8
Cash and cash equivalents (c)	239.6	-	-	239.6
Liquid investments (d)	-	1,976.8	-	1,976.8
	250.9	2,673.6	-	2,924.5
<i>Financial liabilities</i>				
Derivatives financial instruments (e)	-	(1.4)	-	(1.4)
	-	(1.4)	-	(1.4)

	For the year ended 31.12.2024			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<i>Financial assets</i>				
Equity investments (a)	11.6	-	-	11.6
Trade and other receivables (b)	-	669.1	-	669.1
Cash and cash equivalents (c)	124.3	-	-	124.3
Liquid investments (d)	-	2,127.1	-	2,127.1
	135.9	2,796.2	-	2,932.1
<i>Financial liabilities</i>				
Derivatives financial instruments (e)	-	(25.5)	-	(25.5)
	-	(25.5)	-	(25.5)

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

- 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.
- 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 period-end average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.
- 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.
- 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.
- Derivatives are valued using a discounted cash flow analysis valuation model, which includes observable credit spreads and using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. These are level 2 inputs as described below. As at 30 June 2025, derivatives relate to foreign exchange option contracts.

f)

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 six months ended 30 June 2025 and 30 June 2024, there were no transfers between levels in the hierarchy.

b) Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. The Group does not use such derivative instruments for trading purposes. The Group has applied the hedge accounting provisions of IFRS 9 Financial Instruments. The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as hedges of future cash flows have been recognised directly in equity, with such amounts subsequently recognised in profit or loss in the period when the hedged item affects profit or loss. For non-financial hedged items, the amount is removed directly from equity and included as an adjustment to the initial cost of the hedged item. Any ineffective portion is recognised immediately in profit or loss. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. For non-financial hedged items, on initial recognition of the hedged item, the time value is removed from equity and included as an adjustment to the initial cost of the hedged item.

8. Net finance (expense)/income

	Six months ended 30.06.2025 \$m	Six months ended 30.06.2024 \$m
Investment income		
Interest income	54.1	30.5
Gains on liquid investments held at fair value through profit or loss	30.5	43.0
	<u>84.6</u>	<u>73.5</u>
Interest expense		
Interest expense	(177.8)	(132.1)
	<u>(177.8)</u>	<u>(132.1)</u>
Other finance items		
Unwinding of discount on provisions	(13.4)	(9.7)
Exceptional fair value gains (see note 3)	-	51.0
Effects of changes in foreign exchange rates	(39.4)	41.5
Preference dividends	(0.1)	(0.1)
	<u>(52.9)</u>	<u>82.7</u>
Net finance (expense)/income	<u>(146.1)</u>	<u>24.1</u>

In the six months ended 30 June 2025, amounts capitalised and consequently not included within the above table were as follows: \$14.8 million at Los Pelambres (six months ended 30 June 2024 - \$20.7 million) and \$44.3 million at Centinela (six months ended 30 June 2024 - \$6.2 million).

The interest expense shown above includes \$5.8 million in respect of leases (six months ended 30 June 2024 - \$9.6 million).

9. Taxation

The tax charge for the period comprised the following:

	Six months ended 30.06.2025 \$m	Six months ended 30.06.2024 \$m
Current tax charge		
Corporate tax (principally first category tax in Chile)	(236.4)	(211.8)
Mining tax (royalty)	(93.5)	(113.3)
Withholding tax	(28.3)	(68.9)
	(358.2)	(394.0)
Deferred tax		
Corporate tax (principally first category tax in Chile)	(69.0)	61.9
Mining tax (royalty)	(2.4)	(10.1)
Exceptional items	54.5	(12.7)
Withholding tax	5.0	55.4
	(11.9)	94.5
Total tax charge	(370.1)	(299.5)

The statutory rate of first category (i.e. corporate) tax in Chile is 27.0% (2024 – 27.0%).

In addition to first category 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 (i.e. corporation) tax already paid in respect of the profits to which the remittances relate.

The Group's mining operations are also subject to a mining tax (royalty). The new Chilean mining royalty took effect from 1 January 2024. The new royalty terms include a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability, as well as a 1% ad valorem royalty on copper sales. As the ad valorem element is based on revenue rather than profit it does not meet the IAS 12 Income Taxes definition of a tax expense and is therefore recorded as an operating expense. The new royalty terms have 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% on Mining Operating Margin less the royalty ad-valorem expense.

Los Pelambres has been subject to the new royalty from 1 January 2024. Centinela and Antucoya have tax stability agreements in place, and so the new royalty rates will only impact their royalty payments from 2030 onwards. Until then, they continue to be subject to the previous royalty system, applying a progressive rate ranging from 5% to 14% of taxable operating profits, depending on the operating margin.

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).

	Six months ended 30.06.2025 excluding exceptional items		Six months ended 30.06.2025 Including exceptional items		Six months ended 30.06.2024 excluding exceptional items		Six months ended 30.06.2024 Including exceptional items	
	\$m	%	\$m	%	\$m	%	\$m	%
Profit before tax	1,162.0		1,162.0		661.6		712.6	
Profit before tax multiplied by Chilean corporate tax rate of 27%	(313.7)	27.0	(313.7)	27.0	(178.7)	27.0	(192.4)	27.0
Mining Tax (royalty)	(97.3)	8.4	(97.3)	8.4	(117.0)	17.7	(117.0)	16.4
Deduction of mining royalty as an allowable expense in determination of first category tax	25.8	(2.2)	25.8	(2.2)	30.6	(4.6)	30.6	(4.3)
Withholding tax	(23.3)	2.0	(23.3)	2.0	(13.5)	2.0	(13.5)	1.9
Items non-taxable and non-deductible from first category tax	(23.0)	2.0	(23.0)	2.0	(5.6)	0.8	(5.6)	0.8
Impact of unrecognised tax losses on current tax	(7.0)	0.6	(7.0)	0.6	(0.8)	0.1	(0.8)	0.1
Reversal of deferred tax on fair value gains (exceptional item)	-	-	54.5	(4.7)	-	-	-	-
Tax effect of share of profit of associates and joint ventures	9.8	(0.8)	9.8	(0.8)	2.0	(0.3)	2.0	(0.3)
Adjustment in respect of prior years	4.1	(0.5)	4.1	(0.4)	(3.8)	0.6	(3.8)	0.5
Difference in overseas tax rates	-	-	-	-	-	-	1.0	(0.1)
Tax expense and effective tax rate for the period	(424.6)	36.5	(370.1)	31.9	(286.8)	43.3	(299.5)	42.0

The effective tax rate (excluding exceptional items) of 36.5 % varied from the statutory rate principally due to:

- The mining tax (royalty) (net impact of \$71.5 million/ 6.2 % including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax);
- The withholding tax relating to the remittance of profits from Chile (impact of \$23.3 million / 2.0%);
- Items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of \$23.0 million / 2.0%);
- The impact of unrecognised tax losses (impact of \$7.0 million 0.6%);
- An offsetting 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 \$9.8 million / 0.8%); and
- Adjustments in respect of prior years (impact of \$4.1 million / 0.5%).

The effective tax rate (including exceptional items) of 31.9% varied from the statutory rate due to the factors outlined above, and due to the exceptional deferred tax credit of \$54.5 million relating to the derecognition of the deferred tax liability in respect of the Group's investment in Buenaventura, as the requirements of the UK Substantial shareholdings exemption were met during the period (see Note 3).

The main factors which could impact the sustainability of the Group's existing effective tax rate are set out below.

- 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.
- Changes in the applicable mining royalty rate, as a result of changes in the mining operations' levels of profitability, or the potential applicability of the mining royalty cap, as described above.
- 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 introduces a minimum effective tax rate of 15% for multinational companies.

The rules were substantively enacted in the UK in 2023 and became 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 2025 tax expense. There have not been changes to the Group's position or results subsequent to that date which would significantly impact that analysis.

The Group applied the exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar 2 income taxes in accordance with the amendments to IAS 12 adopted by the UK Endorsement Board on 19 July 2023.

In relation to the analysis of the controlling interest and identification of the Group's Ultimate Parent Entity ("UPE"), management concluded that the 'deemed' consolidation rule in section (b) of the controlling interest definition should apply to the Abaroa Foundation. Consequently, Abaroa should be considered the UPE of the Multinational Enterprises ("MNE") Group for Pillar Two purposes.

Additionally, based on FY23 data and adjustments for material changes in FY24 and FY25, the Group concluded that it qualifies for the Transitional Country-by-Country Reporting ("CbCR") Safe Harbour regime in its main territories of operation, or is subject to greater than 15% tax in the period, hence no top-up tax is due.

On 14 July 2025, the E. Abaroa Foundation, as the Ultimate Parent Entity ("UPE") of the Antofagasta Group, formally nominated Antofagasta plc as the designated filing member for Pillar Two purposes in the United Kingdom. This designation requires Antofagasta plc to register the group with HM Revenue & Customs ("HMRC") in the United Kingdom, and to manage all related filings and communications, including the Globe Information Return or Overseas Return Notification. In accordance with this designation, Antofagasta plc completed the registration with HMRC on 27 June 2025.

Minera Centinela tax claims and queries

In the context of an administrative review, the Chilean Internal Revenue Service (SII) has raised claims and queries with Minera Centinela regarding tax deductions recognised in relation to the amortisation of organisation and start-up costs associated with the Encuentro pit. The tax associated with these base amounts to approximately USD\$83 million. This matter, which relates to tax years 2020, 2021 and 2022, is currently being reviewed before the Chilean Tax and Customs Court. The Group considers that the tax treatment adopted by Minera Centinela is correct and appropriate, has robust arguments to support its position, and expects its position to be upheld through the judicial process. Should the Group be unsuccessful in defending its position, this amount (plus potential interest and penalties) would become payable.

10. Earnings per share

	Six months ended 30.06.2025	Six months ended 30.06.2024
	\$m	\$m
Profit for the period attributable to owners of the parent (excluding exceptional items)	467.1	221.3
Exceptional Items	54.5	38.3
Profit for the period attributable to owners of the parent (including exceptional items) from operations	521.6	259.6
	Number	Number
Ordinary shares in issue throughout each period	985,856,695	985,856,695
	Six months ended 30.06.2025	Six months ended 30.06.2024
	US cent	US cent
Basic earnings per share (excluding exceptional items) from operations	47.4	22.4
Basic earnings per share (exceptional items) from operations	5.5	3.9
Basic earnings per share (including exceptional items) from operations	52.9	26.3

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2024: 985,856,695) ordinary shares.

The Group does not have any equity instruments which could potentially dilute earnings per share, and therefore diluted earnings per share did not differ from basic earnings per share as disclosed above.

11. Dividends

The Board has declared an interim dividend of 16.6 cents per ordinary share for the 2025 half year (2024 half year – 7.9 cents per ordinary share). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 23.5 cents per ordinary share (2024 half year – 24.3 cents per ordinary share), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 30 September 2025 to ordinary shareholders that are on the register at the close of business on 5 September 2025. Shareholders can elect (on or before 8 September 2025) to receive this interim dividend in US Dollars, Pounds Sterling or Euro, and the exchange rate to be applied to interim dividends to be paid in Pounds Sterling or Euro will be set as soon as reasonably practicable after that date (which is currently anticipated to be on 10 September 2025).

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. Property, plant and equipment

	Mining	Railway and other transport	At 30.06.2025	At 31.12.2024
	\$m	\$m	\$m	\$m
Balance at the beginning of the year	13,601.1	315.9	13,917.0	12,678.7
Additions	1,769.9	13.6	1,783.5	2,726.1
Additions – depreciation capitalised	94.9	-	94.9	87.9
Reclassifications	0.1	0.6	0.7	(1.0)
Capitalisation of interest	59.1	-	59.1	67.1
Adjustment to capitalised decommissioning provisions	-	-	-	(13.0)
Depreciation expensed in the period	(839.8)	(17.9)	(857.7)	(1,568.2)
Depreciation capitalised in PP&E	(94.9)	-	(94.9)	(87.9)
Depreciation capitalised in inventories	60.2	-	60.2	(338.5)
Write off	(1.6)	-	(1.6)	(5.5)
Asset disposals and others	(22.8)	-	(22.8)	(0.1)
Reversal of the provision against carrying value of assets (exceptional items)	-	-	-	371.4
Balance at the end of the period	14,626.2	312.2	14,938.4	13,917.0

During the six months ended 30 June 2025, the total effect of depreciation capitalised within Property, plant and equipment or inventories in respect of assets relating to Los Pelambres, Centinela and Antucoya is \$34.7 million (year ended 31 December 2024 - \$426.4 million), and has accordingly been excluded from the depreciation charge recorded in the income statement as shown in Note 5.

At 30 June 2025, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$2,697.5 million (31 December 2024 - \$3,773.3 million), mainly relating to the Second Concentrator Project at Centinela, the Desalination Plant Expansion, Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres.

Depreciation capitalised in property, plant and equipment of \$94.9 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (year ended 31 December 2024 – \$87.9 million).

13. Investments in associates and joint ventures

The investments which are included in the \$1,793.4 million balance at 30 June 2025 are set out below.

	At 30.06.2025 \$m	At 31.12.2024 \$m
Buenaventura	890.3	872.0
Zaldívar	893.8	895.1
ATI	9.3	9.0
Total	1,793.4	1,776.1

Investments in associates

- **Buenaventura** – The Group has an 18.94% interest in Buenaventura. Buenaventura is Peru’s largest, publicly traded precious and base metals company and a major holder of mining rights in Peru.

Impairment review

The initial carrying value of the investment in associate balance was recorded in March 2024 at a value equivalent to the fair value of the shares, reflecting their market value at that date. Between that date and 31 December 2024, the Buenaventura share price decreased by approximately 30%. This was assessed as an indicator of a potential impairment of the investment in associate balance as at 31 December 2024, and accordingly an impairment review was performed at the 2024 year-end. This review concluded that the recoverable amount of the investment balance was above its carrying value, and accordingly no impairment was required or appropriate.

Between 1 January 2025 and 30 June 2025, the Buenaventura share price increased by approximately 40%. However, the market value of the Group’s shareholding in Buenaventura at 30 June 2025 was still approximately 10% below the \$890.3 million carrying value of the Group’s investment in associate balance in respect of Buenaventura at that date.

This was assessed as an indicator of a potential impairment of the investment in associate balance as at 30 June 2025, and accordingly an impairment review was performed at 30 June 2025. This review concluded that the recoverable amount of the investment balance was above its carrying value, and accordingly no impairment was required or appropriate.

This review has been based on the fair value less costs of disposal for the investment balance, reflecting the net amount the Group would expect to receive from the sale of the operation in an orderly transaction between market participants. This value has been estimated based on a discounted cash flow model in respect of Buenaventura’s directly and indirectly held operations, investments and projects, as well as the valuation of additional mineral resource potential based on resource multiples. This reflects a level 3 fair value measurement per the IFRS 13 fair value hierarchy. The key assumptions used in this estimation are listed below.

- The forecasts of future metal price (representing the Group’s estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on consensus analyst forecasts. A long-term copper price of \$4.50/lb and a long-term gold price of \$2,600/oz (both reflecting 2025 real terms) have been used in the model; however, no assurances can be given that these prices will be maintained in future periods.
- Assumptions in respect of future production levels, operating costs and sustaining and development capital expenditure, generally based on publicly available results, forecasts and technical reports in respect of Buenaventura’s directly and indirectly held operations, minority interest investments and projects.
- A real post-tax discount rate of 8% (31 December 2024 – 8%), calculated using relevant market data, has been applied to copper assets in the model.

The recoverable amount indicated by this assessment was above the carrying value of the investment in associate balance, and accordingly no impairment is required or appropriate as at 30 June 2025.

The assumptions to which the estimation of the recoverable amount is most sensitive are the future metal prices. Down-side sensitivities were performed with a long-term copper price of \$4.05/lb and a long-term gold price of \$2,340/oz, each reflecting a 10% reduction in the long-term price forecast. These sensitivities each continued to indicate a recoverable amount above the carrying value of the investment in associate balance.

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

Investments in joint ventures

- **Zaldívar** - The Group has a 50% interest in Minera Zaldívar SpA ("Zaldívar").

It has been determined that, as of 30 June 2025, there were indicators of a potential impairment in relation to the Group's investment in joint venture balance in respect of Zaldívar; in particular, considering changes to its life-of-mine plans and the operational performance during the first six months of 2025. Accordingly, as detailed in Note 4, an estimate of the recoverable amount of the Zaldívar investment in joint venture balance has been performed. The recoverable amount indicated by this assessment was above the carrying value of the investment in joint venture balance, and accordingly no impairment is required or appropriate as at 30 June 2025.

14. Borrowings and other financial liabilities

	At 30.06.2025 \$m	At 31.12.2024 \$m
<u>Borrowings</u>		
Los Pelambres		
- Senior loan	(1,570.9)	(1,887.6)
- Other loans	-	(475.0)
Centinela		
- Senior loan	(835.7)	(572.6)
- Other loans	(150.0)	(195.0)
Antucoya		
- Senior loan	(99.7)	(124.6)
- Subordinated debt	(198.4)	(205.5)
	(2,854.7)	(3,460.3)
<u>Bonds</u>		
Los Pelambres	(1,527.3)	-
Corporate and other items	(1,731.3)	(1,729.0)
	(3,258.6)	(1,729.0)
<u>Other financial liabilities</u>		
Centinela	(588.8)	(594.0)
	(588.8)	(594.0)
<u>Leases</u>		
Los Pelambres	(30.3)	(19.2)
Centinela	(81.5)	(114.1)
Antucoya	(36.4)	(13.4)
Corporate and other items	(11.2)	(12.1)
Railway and other transport services	(1.0)	(0.9)
	(160.4)	(159.7)
<u>Preference shares</u>		
Corporate and other items	(2.9)	(2.4)
	(2.9)	(2.4)
Total	(6,865.4)	(5,945.4)

Total Group borrowings and other financial liabilities at 30 June 2025 were \$6,865.4 million, an increase of \$920.0 million during the period (at 31 December 2024 – \$5,945.4 million). The increase was mainly due to \$1,527.3 million in respect of the bond issued by Los Pelambres as part of a financing associated with Los Pelambres' water infrastructure, \$436.4 million from the senior loan at Los Pelambres and \$293.6 million in respect of the project financing at Centinela, partly offset by repayments of the senior loans at Los Pelambres (\$761.0 million), Centinela (\$33.3 million) and Antucoya (\$25.0 million), and repayment of the short-term loan at Los Pelambres (\$475.0 million).

At 30 June 2025, \$4,159.7 million (December 2024 - \$3,155.1 million) of the borrowings and other financial liabilities has fixed rate interest and \$2,705.7 million (December 2024 - \$2,790.3 million) has floating rate interest.

	Facility available		Drawn		Undrawn	
	30 June 2025 \$m	31 December 2024 \$m	30 June 2025 \$m	31 December 2024 \$m	30 June 2025 \$m	31 December 2024 \$m
Revolving credit facility	500.0	500.0	-	-	500.0	500.0

The maturity profile of the Group's borrowings is as follows:

At 30 June 2025	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2025 Total \$m
Senior loans	(198.2)	(398.8)	(636.1)	(1,273.2)	(2,506.3)
Bond	-	-	-	(3,258.6)	(3,258.6)
Other loans	(150.0)	(198.4)	-	-	(348.4)
Other financial liabilities	(11.4)	(12.9)	(49.8)	(514.7)	(588.8)
Leases	(72.9)	(38.7)	(48.8)	-	(160.4)
Preference shares	-	-	-	(2.9)	(2.9)
	(432.5)	(648.8)	(734.7)	(5,049.4)	(6,865.4)

At 31 December 2024	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2024 Total \$m
Senior loans	(549.9)	(596.9)	(908.1)	(529.9)	(2,584.8)
Bond	-	-	-	(1,729.0)	(1,729.0)
Other loans	(670.0)	-	(205.5)	-	(875.5)
Other financial liabilities	(6.1)	(12.2)	(47.3)	(528.4)	(594.0)
Leases	(96.5)	(28.5)	(34.5)	(0.2)	(159.7)
Preference shares	-	-	-	(2.4)	(2.4)
	(1,322.5)	(637.6)	(1,195.4)	(2,789.9)	(5,945.4)

15. Reconciliation of profit before tax to net cash flow from operating activities

	At 30.06.2025 \$m	At 30.06.2024 \$m
Profit before tax	1,162.0	712.6
Depreciation and amortisation	857.7	647.2
Net loss on disposals	2.3	-
Net finance expense – excluding exceptional items	146.1	26.9
Net share of (profit) of associates and joint ventures	(33.3)	(17.2)
Exceptional fair value gain in respect of other financial asset	-	(51.0)
Decrease/(increase) in inventories	18.5	(131.9)
(increase)/decrease in debtors	(103.6)	247.0
(Decrease)/increase in creditors	(234.3)	56.8
(Decrease) in provisions	(3.4)	(6.5)
Cash flow generated from operations	1,812.0	1,483.9

16. Analysis of changes in net debt

For the period ended 30 June 2025

	At 31.12.2024 \$m	Cash flows \$m	Fair value gain \$m	New leases \$m	Early termination IFRS 16 \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Reclassification \$m	Exchange \$m	At 30.06.2025 \$m
Cash and cash equivalents	2,189.2	401.9	-	-	-	-	-	-	9.8	2,600.9
Liquid investments	2,127.1	(146.6)	(3.7)	-	-	-	-	-	-	1,976.8
Total cash and cash equivalents and liquid investments	4,316.3	255.3	(3.7)	-	-	-	-	-	9.8	4,577.7
Borrowings due within one year	(1,219.9)	1,354.3	-	-	-	-	-	(482.6)	-	(348.2)
Borrowings due after one year	(2,240.4)	(730.0)	-	-	-	(10.7)	(8.0)	482.6	-	(2,506.5)
Other financial liabilities due within one year	(6.1)	5.2	-	-	-	-	-	-	-	(0.9)
Other financial liabilities due after one year	(587.9)	-	-	-	-	-	-	-	-	(587.9)
Bonds due after one year	(1,729.0)	(1,527.3)	-	-	-	(2.3)	-	-	-	(3,258.6)
Leases due within one year	(96.5)	56.3	-	-	-	-	-	(31.7)	-	(71.9)
Leases due after one year	(63.2)	-	-	(66.5)	22.8	-	-	31.7	(13.3)	(88.5)
Preference shares	(2.4)	-	-	-	-	-	-	-	(0.5)	(2.9)
Total borrowings and other liabilities from financing activities	(5,945.4)	(841.5)	-	(66.5)	22.8	(13.0)	(8.0)	-	(13.8)	(6,865.4)
Net debt	(1,629.1)	(586.2)	(3.7)	(66.5)	22.8	(13.0)	(8.0)	-	(4.0)	(2,287.7)

For the period ended 31 December 2024

	At 31.12.2023 \$m	Cash flows \$m	Fair value gain \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Reclassification \$m	Exchange \$m	At 31.12.2024 \$m
Cash and cash equivalents	644.7	1,550.1	-	-	-	-	-	(5.6)	2,189.2
Liquid investments	2,274.7	(148.5)	0.9	-	-	-	-	-	2,127.1
Total cash and cash equivalents and liquid investments	2,919.4	1,401.6	0.9	-	-	-	-	(5.6)	4,316.3
Borrowings due within one year	(794.1)	154.0	-	-	-	-	(579.8)	-	(1,219.9)
Borrowings due after one year	(3,057.9)	(1,459.9)	-	-	(13.5)	(17.9)	579.8	-	(3,969.4)
Other financial liabilities due within one year	-	4.6	-	-	-	-	(10.7)	-	(6.1)
Other financial liabilities due after one year	-	(598.6)	-	-	-	-	10.7	-	(587.9)
Leases due within one year	(107.8)	152.7	-	-	-	-	(141.4)	-	(96.5)
Leases due after one year	(116.9)	-	-	(111.1)	-	-	141.4	23.4	(63.2)
Preference shares	(2.5)	-	-	-	-	-	-	0.1	(2.4)
Total borrowings and other liabilities from financing activities	(4,079.2)	(1,747.2)	-	(111.1)	(13.5)	(17.9)	-	23.5	(5,945.4)
Net debt	(1,159.8)	(345.6)	0.9	(111.1)	(13.5)	(17.9)	-	17.9	(1,629.1)

Net debt

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

	At 30.06.2025 \$m	At 31.12.2024 \$m
Cash, cash equivalents and liquid investments	4,577.7	4,316.3
Total borrowings and other financial liabilities	(6,865.4)	(5,945.4)
Net debt	(2,287.7)	(1,629.1)

17. Related party transactions

a) Joint ventures

The Group has a 50% interest in Minera Zaldívar, which is a joint venture with Barrick Gold Corporation. During the six months ended 30 June 2025, the Group has not received dividends from Minera Zaldívar (six months ended 30 June 2024 - nil).

b) Associates

The Group has a 18.9% interest in Compañía de Minas Buenaventura S.A.A, which is an associate. During the six months ended 30 June 2025, the Group has received dividends from Buenaventura of \$14.0 million (six months ended 30 June 2024 - \$3.5 million).

c) Other related parties

The immediate parent company of the Group is Metalinvest Establishment, and the ultimate parent company is the E. Abaroa Foundation, in which members of the Luksic family are interested. The Group's subsidiaries, in the ordinary course of business, enter into various sale and purchase transactions with companies also controlled by members of the Luksic family, including Banco de Chile S.A., BanChile Corredores de Bolsa S.A., ENEX S.A. and Compañía de Inversiones Adriático S.A. These transactions were all on normal commercial terms.

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, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. The Group is responsible for any exploration costs relating to the properties held by these entities. During the six months ended 30 June 2025, the Group incurred \$0.5 million (30 June 2024 - \$0.1 million) of exploration costs at these properties.

In January 2025 the Group entered into an agreement with Mineralinvest to acquire its 49% interest in Antomin Investors' copper exploration properties in the Centinela District for \$80 million. The Group paid a deposit of the \$80 million transaction price at that point. Properties currently held by Antomin Investors that are outside the Centinela District have been demerged into a new entity, Antomin Volcanes, held 51% by the Group and 49% by Mineralinvest. The acquisition of the remaining 49% stake in Antomin Investors is expected to complete later in 2025. As Antomin Investors is a subsidiary of the Antofagasta plc Group, this agreement to acquire the remaining 49% stake in Antomin Investors constitutes an agreement to acquire own equity instruments in accordance with IAS 32 *Financial Instruments: Presentation*. Accordingly, this resulted in the initial recognition of a liability of \$80 million and a corresponding reduction in reserves. The liability was immediately satisfied by the upfront payment of the transaction price, extinguishing the liability. The net impact of the agreement has therefore been the recognition of the \$80 million cash outflow and the corresponding reduction in reserves.

This transaction further consolidates the Group's mining property interests in the Centinela District providing flexibility for future growth options. This transaction was overseen and approved by a committee of independent Directors who sought and received confirmation from a financial adviser, a major international investment bank with extensive experience in advising UK issuers on such matters, that the terms of the transaction were fair and reasonable as far as the shareholders of the companies were concerned.

18. 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 the Group's business, financial position and reputation. Litigation is inherently unpredictable, and large judgments may at times occur. The Group may incur, in the future, judgments 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. A provision is recognized for legal claims where the Group has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- a) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;
- b) the half yearly financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the half yearly financial report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- c) the half yearly financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Jean-Paul Luksic
Chairman

Francisca Castro
Senior Independent Director

Independent Review Report to Antofagasta plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 18.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor
London, United Kingdom
13 August 2025

Independent auditor’s report to the members of Antofagasta plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Antofagasta plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2024 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; and,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated balance sheet;
- the consolidated cash flow statement;
- the related Notes 1 to 37 to the financial statements;
- the Parent Company balance sheet;
- the Parent Company statement of changes in equity; and,
- the related Notes 1 to 8 to the Parent Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in Note 8 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: - assessment of indicators of impairment and impairment reversal of non-current assets and recognition of an impairment reversal on the Antucoya cash generating unit; and - impairment valuation of the Buenaventura investment in associate These key audit matters are consistent with those identified by the predecessor auditor, with the exception of assessment of indicators of impairment of investments in subsidiaries at the parent company, which we did not consider a key audit matter in the current year.
Materiality	The materiality that we used for the Group financial statements was \$77m which was determined on the basis of 5% of forecast three-year-average profit before tax adjusted for one-off items. This is consistent with the methodology used by the predecessor auditor.
Scoping	Our audit scope for the 2024 audit comprises of audits of the entire financial information for four components and audits of specified account balances for three components. The components subjected to these audit procedures represented 97% of the Group’s revenue and 96% of the Group’s profit before tax.

3. Summary of our audit approach

First year audit transition

The year ended 31 December 2024 is our first year as auditor of the Group. We have been independent since August 2023 and commenced our transition activities from that date. Our work included:

- Establishing a detailed audit transition plan;
- Shadowing the predecessor auditor through the 31 December 2023 audit, including attendance at key meetings, including Audit and Risk Committee meetings;
- Reviewing the previous auditor's Group and component audit files;
- Holding transition workshops with key finance and operational management, including internal audit, treasury, tax, legal and group finance teams to inform our audit planning;
- Assessing the appropriateness of the accounting policies and judgements disclosed in the previous year's financial statements; and
- Holding a group audit transition and planning meeting with our component audit team and conducting group audit team visits to Chile.

These procedures built our understanding of the Group which informed our audit risk assessment, through which we identified the risks of material misstatement to the Group's financial statements.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the key assumptions used in the base case scenarios by assessing whether a 10% decline in forecast copper prices was appropriate based on broker forecasts and historical volatility patterns.
- Challenging the downside sensitivity scenarios, where the effect would stem from a greater than 10% decline in copper prices, by modelling our own more severe scenarios.
- Considering market and industry specific factors, including operational risks which could impact production volumes, as well as by-product pricing volatility, and the effect of changes in FX rates.
- Analysing the covenants included within the Group's borrowing facilities, and assessing the forecast compliance with the specified Net Financial Debt/EBITDA, EBITDA/Interest Expense and Total Indebtedness/Tangible Net Worth ratios.
- Assessing the appropriateness of the disclosures relating to going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Assessment of indicators of impairment and impairment reversal of non-current assets and recognition of an impairment reversal on the Antucoya cash generating unit

Key audit matter description

In accordance with IAS 36 'Impairment of assets', management performed an assessment of indicators of impairment and impairment reversal over its non-current assets.

Antucoya

The Group had previously recognised impairments at the Antucoya cash generating unit ("CGU") totalling \$716.0 million in 2012 and 2016. Of the original impairment amounts, \$371.4 million was calculated by management to be unamortised as at 31 December 2024.

Management's assessment concluded that indicators of impairment reversal existed at 31 December 2024. An IAS 36 impairment valuation was performed on a fair value less cost of disposal basis and this indicated that the full amount available for reversal should be recognised and a pre-tax impairment reversal of \$371.4m was recorded.

5.1. Assessment of indicators of impairment and impairment reversal of non-current assets and recognition of an impairment reversal on the Antucoya cash generating unit *continued*

Key audit matter description *continued* Judgement is required in determining the key valuation assumptions, the most significant of which is the copper price forecast used, with other assumptions including the discount rate, the Chilean Peso – US dollar exchange rate, and key operational assumptions including the reserves and resources determined by management's internal experts, production volumes and unit costs. There is also complexity in determining whether the headroom indicated represents an increase in the underlying asset value (which would be an indicator of impairment reversal) or whether it merely arises from the passage of time since the previous impairment.

Zaldívar

Management concluded that overall there were no indicators of impairment for Zaldívar at 31 December 2024 based on its assessment which included consideration of i) the headroom indicated from its latest life-of-mine ("LOM") valuation (with adjustments made to achieve IAS 36 compliance) and ii) its assessment over the probability and timing of the previously submitted permit application being successfully received, which is required to allow the continued extraction of water, and mining, beyond May 2025.

Consistent with Antucoya, the valuation of the Zaldívar CGU is dependent on the copper price assumption, as well as other macroeconomic and operational assumptions. The additional key valuation judgements in respect of Zaldívar include the risk associated with water and mine permitting extension.

Refer to Note 4 to the Group financial statements which sets out the key valuation assumptions, the impairment reversal recognised and the sensitivity analysis performed; and Note 3 which sets out the impairment indicator assessment at Zaldívar and is considered a critical accounting judgement by management with further detail on the specific judgements included in Note 5. Further information is included in the Audit and Risk Committee report on page 129.

How the scope of our audit responded to the key audit matter In response to the key audit matter noted above, we performed the following procedures:

- We gained an understanding of management's process for assessing indicators of impairment or impairment reversal. We obtained an understanding of relevant internal controls over that process.
- We performed an independent assessment of impairment and impairment reversal indicators considering the current economic environment, including the volatility in commodity pricing.
- We assessed management's determination of relevant CGUs by reference to the requirements of accounting standards and our understanding of the nature of the Group's mining operations.
- With the support of our valuations specialists, we challenged management's copper price forecast and exchange rates against third party forecast data, and benchmarked the discount rate used to an independently developed reasonable range.
- For Zaldívar specifically, we gained an understanding of the progress of the water and mining permit application with the responsible individuals within management and inspected supporting correspondence and documentation with the relevant regulatory body. Based on this evidence we evaluated both the overall probability of the permit being obtained by May 2025 and the extent of the risk adjustment a market participant would apply in valuing the CGU.
- Production and cost assumptions were benchmarked against historical performance and compared to the latest approved budgets. The minable production tonnage assumptions were assessed against reserves and resources estimates.
- We assessed the competence, capability and objectivity of the Group's internal experts responsible for preparing the reserves and resources statements.
- Working with our Deloitte valuation and mining specialists we assessed specific technical assumptions, including the forecast processing recoveries at Zaldívar and the value attributable to the Zaldívar primary sulphides project.
- We assessed the mechanical accuracy of the impairment models. In the case of Antucoya, we also evaluated management's calculation of the element of the historical impairment which was available for reversal and the analysis of the amount of headroom which represented an increase in underlying value versus the impact of the passage of time, as that underpinned the indicators of impairment reversal conclusion.
- In relation to climate change, we evaluated the modelling for each mine to assess whether costs reflecting probable climate-related risks and management's climate change commitments were appropriately included in the cash flows to the extent these are material.
- We evaluated the appropriateness of the carrying values of each CGU in scope for an impairment review.
- We performed a stand back assessment and evaluated management's valuations for Antucoya and Zaldívar respectively for any evidence of management bias in assumptions and judgements applied.
- We evaluated the adequacy of the related disclosures in the financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.

Key observations We concluded that management's assessment of impairment indicators and impairment reversals is appropriate, and that the methodology applied is in accordance with IAS 36.

We concluded that key assumptions are in a reasonable range and that the recoverable amounts are appropriate.

We considered management's disclosures to be appropriate.

5.2. Impairment valuation of the Buenaventura investment in associate

Key audit matter description	The Group has a 19% interest in Buenaventura, a publicly traded precious and base metals company. As detailed further in Notes 4 and 18, this was an acquisition achieved in stages, with the group holding an existing 7% interest in 2023, with a further 12% interest acquired in March 2024. Immediately prior to the transaction completing, the Group's existing 7% equity interest and the financial asset relating to the agreement to acquire the additional interest were carried at a fair value based on the quoted share price of Buenaventura. On completion, these two assets were derecognised and the investment in associate was initially recognised at an equivalent value of \$814.1m. Between that date and 31 December 2024, the Buenaventura share price decreased by approximately 30%. This has been assessed as an indicator of impairment of the investment in associate, and accordingly an impairment review has been performed as at 31 December 2024. Management developed an internal valuation for the investment based on a discounted cash flow (DCF) model built up by valuing each of Buenaventura's directly and indirectly held operations, investments and projects, as well as the valuation of additional mineral resources based on resource multiples. Based on this exercise management concluded that the recoverable amount of the investment balance was above its carrying value, and accordingly no impairment was recognised. This review was based on the fair value less costs of disposal method. The most significant assumption used in this valuation was the forecast commodity prices (of which copper was the most relevant for the valuation) given the sensitivity of the valuation to these inputs. Other assumptions included future production levels, operating costs and sustaining and development capital expenditure as well as discount rates. Management identified a critical accounting judgement on this valuation and disclosed further sensitivities of this key assumption in note 18. Refer to Notes 3 and 18 to the Group financial statements and the Audit and Risk Committee's views set out on page 129.
How the scope of our audit responded to the key audit matter	In response to the key audit matter noted above we performed the following procedures: • We obtained an understanding of the relevant internal controls over management's impairment assessment process. • We challenged the appropriateness of using an internally developed detailed DCF valuation rather than the listed share price which represents an observable market-based valuation with the support of our valuation specialists, considering the trading volumes and the shareholdings in Buenaventura; • With support from our valuations specialists, we assessed: - the valuation methodologies adopted in accordance with IAS 36; - the appropriateness of management's commodity price forecasts by benchmarking these against third party forecast data and benchmarked the discount rate used to an independently developed reasonable range; - the consolidated EBITDA for the Buenaventura Group per management's valuation model by performing a look-back analysis to FY24 actual results to date and reconciling management's modelled EBITDA to three-year forward guidance published by Buenaventura management in Q4 2024; - the key operational assumptions by reconciling production, operating cost and capital expenditures assumptions to publicly available pre-feasibility studies and feasibility studies which were performed by third party mining engineering consultancies on a mine-by-mine basis, and evaluating reliability of these reports as audit evidence; - the level of risk adjustment incorporated into the modelling, specifically in relation to future development projects; - the value attributed to additional resources through the use of resource multiples by benchmarking the values to those obtained on similar assets in market transactions; and - the mechanical accuracy of the impairment model. • In relation to climate change, we evaluated the modelling to assess whether costs reflecting probable climate-related risks and Buenaventura management's climate change commitments were appropriately included to the extent these are material. • In conjunction with our valuation and mining specialists, we performed a stand back exercise to assess the overall reasonableness of the valuation and to assess whether there was any evidence of management bias in assumptions and judgements applied. This involved benchmarking valuation multiples including price to net asset value multiple and equity value to EBITDA multiples to peer companies. • We evaluated the adequacy of the related disclosures in the financial statements, including the key assumptions used and the completeness and accuracy of sensitivities disclosed.
Key observations	Based on the results of our assessment of management's methodology, the modelling complies with accounting standards and is considered appropriate. We concluded that key assumptions are reasonable and that the recoverable amount is appropriate. We considered management's disclosures to be appropriate.

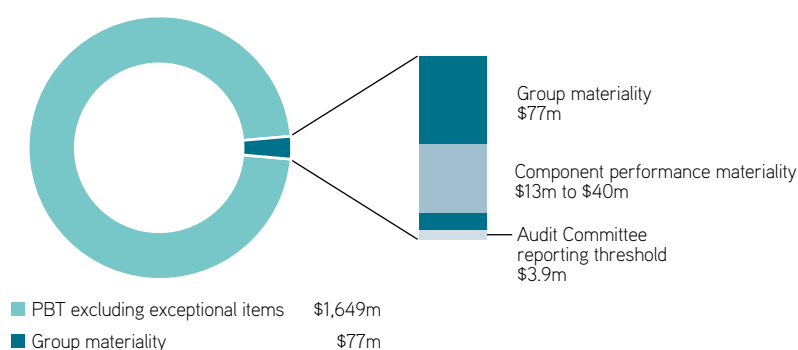
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	\$77m (2023: \$117m)	\$21m (2023: \$21m)
Basis for determining materiality	5% of the 3-year-average profit before tax, adjusted to remove the impact of one-off items such as impairment charges and reversals. In determining materiality, we used the forecast profit before tax for the year to 31 December 2024. Final materiality equates to approximately 4.6% of actual 3-year-average profit-before-tax	1% of net assets
Rationale for the benchmark applied	Using a three-year average continues to be an effective approach for audits of companies in the mining industry given a single year's profits are highly exposed to cyclical commodity price fluctuations.	We have considered net assets as the appropriate measure given the Parent Company is primarily a holding Company for the Group.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2023: 75%) of Group materiality	70% (2023: 75%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered our risk assessment, including our assessment of the Group's overall control environment and the level of corrected and uncorrected misstatements identified in previous audits by the predecessor auditor.	

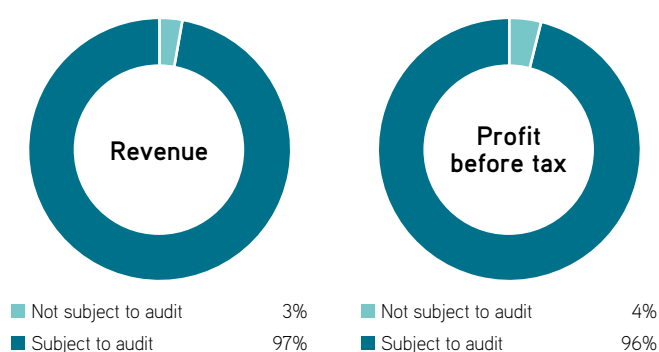
6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of \$3.9m (2023: \$5.8m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment and assessing the risks of material misstatement at the Group level.



The core mining business comprises four mining operations: Los Pelambres, Centinela, Antucoya, and Zaldívar, a joint venture with Barrick Gold Corporation operated by the Group. These mines produce copper cathodes, copper concentrates and significant volumes of by-products. In addition to mining, the Group has a transport division that provides rail and road cargo services in northern Chile, predominately to mining customers, including to the Group's own mining operations. The components in scope represent reporting entities within the Group's consolidation and cover the Group's core mining operations. All of the above operations are located in Chile. In addition, the Group has corporate head offices located in Santiago, Chile and London, United Kingdom. The Group also has exploration projects in various countries.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at each of the four mine sites and corporate offices in Chile, by us, as the Group engagement team and by our component auditors from Deloitte Chile. Our audit scope for the 2024 audit comprises of audits of the entire financial information of four components and audits of specified account

balances for three components. Component performance materialities were capped at \$40m, giving a range of \$13m to \$40m. For the purposes of the Group audit, we used a \$13m performance materiality for certain balances in the Parent Company component audit.

The components subjected to these audits represented 97% of the Group's revenue and 96% of the Group's profit before tax.

At the parent entity level, we tested the consolidation process and carried out analytical procedures to obtain further assurance that there were no significant risks of material misstatement in the aggregated financial information of the components not subject to audit procedures.

7.2. Our consideration of the control environment

Antofagasta relies on the effectiveness of a number of IT systems and applications to ensure that financial transactions are recorded completely and accurately. The Group uses SAP in all of its legal entities. With the involvement of our IT specialists, we assessed key controls over the SAP system. From our walkthroughs and understanding of the entity and the controls at the business cycle and account balance levels, we relied on controls in the following business cycles: revenue, accounts receivable and accounts payable.

The Group continues to invest in its internal controls as part of its ongoing control improvement activities and its preparations for the introduction of the Directors' declaration over the effectiveness of material internal controls set out in the 2024 UK Corporate Governance Code and first applicable for the year ending 31 December 2026, with areas of focus including enhancing the precision and documentation of management review controls over spreadsheet models. The Audit and Risk Committee has discussed the transition to the 2024 UK Corporate Governance Code and management's action plans on pages 128 to 132.

7.3. Our consideration of climate-related risks

The Group has considered climate change risk as part of their risk assessment process when considering principal risks and uncertainties facing the Group. This is set out in the strategic report on page 86, and in note 1 to the financial statements.

In planning our audit, the financial impacts on the Group of climate change and the transition to a low carbon economy were considered where these factors have the potential to directly or indirectly impact key judgements and estimates within the financial statements. We worked with our internal environmental specialists in considering potential climate change risk factors. Our risk assessment was based on:

- Enquiries of senior management to understand the potential impact of climate change risk including physical risks to producing assets, the potential changes to the macro-economic environment and the potential for the transition to a low carbon environment to occur quicker than anticipated;
- Reading and considering Antofagasta's Climate Action Plan and TCFD disclosures;
- Considering, together with our component team, immediate and possible longer-term impacts of climate change in the Group's main jurisdictions; and
- Reading and considering external publications by recognised authorities on climate change.

Climate-related risks have also been considered as part of our key audit matters. Please refer to section 5 for further details.

7.4. Working with other auditors

Our oversight of the component auditor included directing the planning of their audit work and understanding their risk assessment process to identify key areas of estimates and judgement, as well as supervising the execution of their audit work.

We held a group audit transition and planning meeting. We issued detailed instructions to Deloitte Chile, reviewed and challenged their related component inter-office reporting and findings, reviewed underlying audit files, attended component audit closing meetings with local management and had regular communications to interact on any related audit and accounting matters which arose. Members of the group team, including the senior statutory auditor, also visited Chile on multiple occasions during the audit.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of senior management, internal audit, group legal counsel, the Directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit team and relevant internal specialists, including valuations, tax, IT, financial instrument, environmental and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas, given the inherent subjectivity in the determination of the key valuation assumptions: assessment of indicators of impairment and impairment reversal of non-current assets and recognition of an impairment reversal on the Antucoya cash generating unit, and impairment valuation of the Buenaventura investment in associate.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation, tax legislation, UK Corporate Governance Code. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's operating licences and environmental regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified assessment of indicators of impairment and impairment reversal of non-current assets and recognition of an impairment reversal on the Antucoya cash generating unit, and impairment valuation of the Buenaventura investment in associate as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and the component audit team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.
- In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 178;
- the Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 96;
- the Directors' statement on fair, balanced and understandable set out on page 163;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 82;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 132; and
- the section describing the work of the Audit and Risk Committee set out on pages 128 to 133.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders at its Annual General Meeting on 8 May 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement is accordingly one year.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

CHRISTOPHER THOMAS FCA

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

20 March 2025

Consolidated income statement

For the year ended 31 December 2024

	Note(s)	Excluding exceptional items 2024 \$m	Exceptional items 2024 (Note 4) \$m	2024 \$m	Excluding exceptional items 2023 \$m	Exceptional items 2023 \$m	2023 \$m
Revenue	6, 7	6,613.4	–	6,613.4	6,324.5	–	6,324.5
Total operating costs		(4,976.1)	371.4	(4,604.7)	(4,541.7)	–	(4,541.7)
Operating profit	6, 4, 8	1,637.3	371.4	2,008.7	1,782.8	–	1,782.8
Net share of results from associates and joint ventures	18	76.2	–	76.2	(13.5)	–	(13.5)
Operating profit and share of total results from associates and joint ventures	8	1,713.5	371.4	2,084.9	1,769.3	–	1,769.3
Investment income	10	184.2	–	184.2	138.1	–	138.1
Interest expense	10	(312.2)	–	(312.2)	(105.6)	–	(105.6)
Other finance items	4,10	63.2	51.0	114.2	(3.4)	167.1	163.7
Net finance income/(expense)	10	(64.8)	51.0	(13.8)	29.1	167.1	196.2
Profit before tax		1,648.7	422.4	2,071.1	1,798.4	167.1	1,965.5
Income tax expense	11	(628.4)	(126.7)	(755.1)	(624.3)	(41.8)	(666.1)
Profit for the year		1,020.3	295.7	1,316.0	1,174.1	125.3	1,299.4
Attributable to:							
Non-controlling interests	31	400.8	85.8	486.6	464.3	–	464.3
Owners of the parent	12	619.5	209.9	829.4	709.8	125.3	835.1
		US cents	US cents	US cents	US cents	US cents	US cents
Basic and diluted earnings per share	12	62.8	21.3	84.1	72.0	12.7	84.7

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
Profit for the year		1,316.0	1,299.4
<i>Items that may be or were subsequently reclassified to profit or loss:</i>			
Losses on cash flow hedging		(25.5)	–
Tax effects arising on cash flow hedges deferred in reserves		6.9	–
Currency translation adjustment		(1.2)	(0.5)
Total items that may be or were subsequently reclassified to profit or loss		(19.8)	(0.5)
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Actuarial (losses)/gains on defined benefit plans	27	(12.2)	10.7
Gains on fair value of equity investments	19	29.7	137.0
Tax on items recognised directly in other comprehensive income	28	(5.9)	(40.8)
Share of other comprehensive losses of associates and joint ventures, net of tax	18	(1.4)	(0.6)
Total items that will not be subsequently reclassified to profit or loss		10.2	106.3
Total other comprehensive (expense)/income		(9.6)	105.8
Total comprehensive income for the year		1,306.4	1,405.2
Attributable to:			
Non-controlling interests	31	478.7	467.6
Owners of the parent		827.7	937.6

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital \$m	Share premium \$m	Other reserves (Note 30) \$m	Retained earnings (Note 30) \$m	Equity attributable to owners of the parent \$m	Non-controlling interests (Note 31) \$m	Total equity \$m
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)
At 31 December 2023	89.8	199.2	104.5	8,558.4	8,951.9	3,096.5	12,048.4
Profit for the year	–	–	–	829.4	829.4	486.6	1,316.0
Other comprehensive income/(expense) for the year	–	–	7.7	(9.4)	(1.7)	(7.9)	(9.6)
Total comprehensive income for the year	–	–	7.7	820.0	827.7	478.7	1,306.4
Reclassification ¹	–	–	(130.4)	130.4	–	–	–
Capital increase ²	–	–	–	–	–	156.8	156.8
Dividends	–	–	–	(317.4)	(317.4)	(240.0)	(557.4)
At 31 December 2024	89.8	199.2	(18.2)	9,191.4	9,462.2	3,492.0	12,954.2

1. Relates to the reclassification of the fair value gain relating to the equity investment in Buenaventura from the Equity investment revaluation reserve to Retained earnings, following the completion of the transaction detailed in Notes 18 and 19 in March 2024, which resulted in the derecognition of the equity investment and the Group's interest in Buenaventura being accounted for as an investment in associate from that point.
2. Related to Marubeni's capital contribution of \$156.7 million in Centinela and Barrick's capital contribution of \$0.1 million in Encierro.

Consolidated balance sheet

For the year ended 31 December 2024

	Note	2024 \$m	2023 \$m
Non-current assets			
Property, plant and equipment	15	13,917.0	12,678.7
Inventories	20	707.8	457.0
Investment in associates and joint ventures	18	1,776.1	891.1
Trade and other receivables	21	54.4	68.5
Equity investments	19	11.6	288.6
Deferred tax assets	28	9.7	72.0
		16,476.6	14,455.9
Current assets			
Inventories	20	925.1	671.0
Trade and other receivables	21	899.5	1,117.8
Other financial asset	18	–	457.2
Current tax assets		17.4	25.9
Liquid investments	22	2,127.1	2,274.7
Cash and cash equivalents	22	2,189.2	644.7
		6,158.3	5,191.3
Total assets		22,634.9	19,647.2
Current liabilities			
Short-term borrowings and other financial liabilities	23	(1,322.5)	(901.9)
Trade and other payables	24	(1,320.3)	(1,171.5)
Short-term decommissioning and restoration provisions	29	(5.9)	(15.2)
Derivative financial instruments	25D	(20.4)	–
Current tax liabilities		(106.4)	(100.7)
		(2,775.5)	(2,189.3)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	23	(4,622.9)	(3,177.3)
Trade and other payables	24	(10.2)	(9.8)
Derivative financial instruments	25D	(5.1)	–
Post-employment benefit obligations	27	(152.2)	(139.9)
Decommissioning and restoration provisions	29	(422.1)	(425.9)
Deferred tax liabilities	28	(1,692.7)	(1,656.6)
		(6,905.2)	(5,409.5)
Total liabilities		(9,680.7)	(7,598.8)
Net assets		12,954.2	12,048.4
Equity			
Share capital	30	89.8	89.8
Share premium	30	199.2	199.2
Other reserves	30	(18.2)	104.5
Retained earnings	30	9,191.4	8,558.4
Equity attributable to owners of the parent		9,462.2	8,951.9
Non-controlling interests	31	3,492.0	3,096.5
Total equity		12,954.2	12,048.4

The financial statements were approved by the Board of Directors on 20 March 2025 and signed on its behalf by

JEAN-PAUL LUKSIC
Chairman

FRANCISCA CASTRO
Senior Independent Director

Consolidated cash flow statement

For the year ended 31 December 2024

	Note(s)	2024 \$m	2023 \$m
Cash flow from operations	32	3,276.2	3,027.1
Interest paid		(324.1)	(166.0)
Income tax paid		(666.8)	(528.1)
Net cash from operating activities		2,285.3	2,333.0
Investing activities			
Capital contributions to associates and joint ventures	18	–	(0.6)
Dividends from associates and joint ventures	18	3.5	–
Investment in other financial assets		–	(290.1)
Acquisition of equity investments	19	–	(60.7)
Proceeds from disposal of investment in joint venture	17	–	944.7
Proceeds from sale of property, plant and equipment		0.3	–
Purchases of property, plant and equipment		(2,414.9)	(2,129.2)
Net decrease/(increase) in liquid investments	22	148.5	(674.2)
Interest received		181.0	117.1
Net cash used in investing activities		(2,081.6)	(2,093.0)
Financing activities			
Dividends paid to owners of the Parent	13	(317.4)	(613.2)
Dividends paid to preference shareholders of the Company	13	(0.1)	(0.1)
Dividends paid to non-controlling interests	31	(240.0)	(388.0)
Capital increase from non-controlling interest ¹		156.7	–
Proceeds from issue of other financial liabilities	32	598.6	–
Proceeds from issue of new borrowings	32	2,222.9	1,062.2
Repayments of borrowings	32	(917.0)	(381.7)
Principal elements of lease payments	32	(152.7)	(81.2)
Repayment of other financial liabilities	32	(4.6)	–
Net cash from/(used) in financing activities		1,346.4	(402.0)
Net increase/(decrease) in cash and cash equivalents		1,550.1	(162.0)
Cash and cash equivalents at beginning of the year		644.7	810.4
Net increase/(decrease) in cash and cash equivalents	32	1,550.1	(162.0)
Effect of foreign exchange rate changes	32	(5.6)	(3.7)
Cash and cash equivalents at end of the year	22,32	2,189.2	644.7

1. Related to Marubeni's capital contribution of \$156.7 million to Centinela.

Notes to the financial statements

1 Basis of preparation

The consolidated financial statements of the Antofagasta plc Group have been 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 financial statements have been prepared on the going concern basis.

Going concern

The Directors have assessed the going concern status of the Group, considering a period of at least 12 months from the date of approval of the 31 December 2024 Annual Report and Accounts.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Strategic Report, and in particular within the Operating Review. 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 statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 22, and details of borrowings are set out in Note 23.

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 2024, with combined cash, cash equivalents and liquid investments of \$4,316.3 million. Total borrowings and other liabilities from financing activities were \$5,945.4 million, resulting in a net debt position of \$1,629.1 million. Of the total borrowings, only 22% is repayable within one year, and 11% repayable between one and two years. In addition, the Group has an undrawn revolving credit facility (RCF) of \$500.0 million which expires in December 2028 and therefore covers all of the going concern review period, which could provide additional liquidity if required.

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 analysis has focused on the existing asset base of the Group, without factoring in potential development projects, which is considered appropriate for an assessment of the Group's ability to manage the impact of a depressed economic environment. The analysis has only included the drawdown of existing committed borrowing facilities and has not assumed that any new borrowing facilities will be put in place.

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. Accordingly, a robust down-side sensitivity analysis has been performed, assessing the impact of a significant deterioration in the future copper price forecasts, by an average of approximately 10% throughout the going concern period, combined with the impact of a shutdown of Los Pelambres, the Group's most significant operation, for a period of one month. This downside analysis included the impacts of conservative assumptions in respect of possible deferrals to planned capital expenditure which could be implemented in such a scenario.

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, construction, operation and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.

We have considered the risk of capital expenditure overruns in respect of the Second Concentrator Project at Centinela, and the Desalination Plant Expansion and Concentrate Pipeline and El Mauro Enclosures Projects at Los Pelambres, and concluded that this is not likely to result in a significant impact during the going concern review period.

The above down-side sensitivity analyses indicated results which could be managed in the normal course of business. 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 a period of at least 12 months from the date of approval of the 31 December 2024 Annual Report and Accounts. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Company structure

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ, under registered number 1627889. The immediate parent company of the Group is Metalinvest Establishment, and the ultimate parent company the E. Abaroa Foundation, in which members of the Luksic family are interested.

The nature of the Group's operations is mining and exploration activities and the transport of rail and road cargo.

A) Adoption of new accounting standards

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

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

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.

B) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, 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, except for IFRS 18. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The Group is currently assessing the impact of IFRS 18 and the preliminary assessment indicates that the presentation of the net share of results from associates and joint ventures is expected to be shown within investing activities, rather than being part of operating profit or loss. Further changes upon the implementation of IFRS 18 may be required.

The following standards are effective after 1 January 2025 (and subject to UK endorsement):

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (no earlier than 1 January 2026)
- IFRS S2 Climate-related Disclosures (no earlier than 1 January 2026)
- Lack of Exchangeability (Amendments to IAS 21) (annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (annual periods beginning on or after 1 January 2026)
- IFRS 18 Presentation and Disclosures in Financial Statements (annual periods beginning on or after 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (annual periods beginning on or after 1 January 2027)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (annual periods beginning on or after 1 January 2026).

2 Material accounting policies

A) Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the use of fair values to measure certain financial instruments, principally provisionally priced sales as explained in Note 2(F) and financial derivative contracts as explained in Note 2(V).

B) Basis of consolidation

The financial statements comprise the consolidated financial statements of Antofagasta plc ("the Company" or "the Parent" or "the Parent Company") and its subsidiaries (collectively "the Group").

Subsidiaries – A subsidiary is an entity over which the Group has control, which is the case when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. For partly-owned subsidiaries, the net assets and profit attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated balance sheet and consolidated income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

C) Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the power to participate in the financial and operating policy decisions of that entity. The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

This requires recording the investment initially at cost to the Group and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associate's results less any impairment and any other changes to the associate's net assets such as dividends. When the Group loses control of a former subsidiary but retains an investment in associate in that entity, the initial carrying value of the investment in associate is recorded at its fair value at that point. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investments in associates are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indications exist, the recoverable amount of the associate is estimated in accordance with the policy set out in Note 2(L).

2 Material accounting policies *continued*

D) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are accounted for depending on the nature of the arrangement.

- i. Joint ventures – are accounted for using the equity method in accordance with IAS 28: Investment in Associates and Joint Ventures, as described in Note 18.
- ii. Joint operations – are accounted for recognising directly the assets, obligations, revenues and expenses of the joint operator in the joint arrangement. The assets, liabilities, revenues and expenses are accounted for in accordance with the relevant IFRS.

When a Group entity transacts with its joint arrangements, profits and losses resulting from the transactions with the joint arrangements are recognised in the Group's consolidated financial statements only to the extent of interests in the joint arrangements that are not related to the Group.

E) Currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at year end exchange rates. Gains and losses on retranslation are included in net profit or loss for the period within other finance items.

The presentational currency of the Group and the functional currency of the Company is the US dollar. On consolidation, income statement items for entities with a functional currency other than the US dollar are translated into US dollars at average rates of exchange. Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities are taken to equity and recorded in a separate currency translation reserve. Accumulated translation differences within equity are reclassified to the income statement when the related foreign operation is disposed of.

On consolidation, exchange gains and losses which arise on balances between Group entities are taken to reserves where that balance is, in substance, part of the net investment in a foreign operation, i.e. where settlement is neither planned nor likely to occur in the foreseeable future. All other exchange gains and losses on Group balances are recognised in the income statement within other finance items.

Fair value adjustments and any goodwill arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the period-end rate.

F) Revenue recognition and other income

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable, and excludes any applicable sales tax.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For the Group's mining products, the customer generally gains control over the material when it has been loaded at the port of loading, and so this is the point of revenue recognition. 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. In these cases, the customer still gains control over the material when it has been loaded at the port of loading, as they are able to direct the use of the goods from this point, and so that remains the point of revenue recognition for the sale of material; however, the shipping service represents a separate performance obligation, and revenue in relation to such services is recognised separately from the sale of the material, with the shipping revenue recognised over time as the shipping service is provided, along with the associated costs. Shipping revenue is recognised at the contracted price of the shipping service to the Group as this reflects the standalone selling price.

Revenue from mining activities is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date, as explained below. For copper and molybdenum concentrates, 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. Revenue includes amounts from the sale of by-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average London Metal Exchange (LME) copper price or the monthly average market molybdenum price for specified future periods. This normally ranges from one to four months after delivery to the customer. For sales contracts which contain provisional pricing mechanisms, the initial invoice typically reflects the month-average market price for the metal in the month of shipment, with the associated receivable balance subsequently measured at fair value through profit or loss. Gains and losses from the marking-to-market of the receivable balance in relation to open sales are recognised through adjustments to other income presented within revenue in the income statement and to trade receivables in the balance sheet. The fair value calculations are based on forward prices at the period end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the limited futures market for that commodity.

For the Transport division, revenue in respect of its transportation and ancillary services is recognised over time in line with the performance of those services.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest received is recognised within investing activities in the consolidated cash flow statement.

Dividend income

Dividend income from equity investments, associates and joint ventures is recognised when the shareholders' right to receive payment has been established. For equity investments it is recorded in investment income and for associates and joint ventures, it is recorded as a decrease of the investment.

G) Exploration and evaluation expenditure

Exploration and evaluation costs, other than those incurred in acquiring exploration licences, are expensed in the year in which they are incurred. When a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved) all further directly attributable pre-production expenditure is capitalised. Capitalisation of pre-production expenditure ceases when commercial levels of production are achieved.

Costs incurred in acquiring exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

H) Stripping costs

Pre-stripping and operating stripping costs are incurred in the course of the development and operation of open-pit mining operations.

Pre-stripping costs relate to the removal of waste material as part of the initial development of an open-pit, in order to allow access to the ore body. All the incurred costs are capitalised and depreciated once production commences on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves for that pit at the beginning of the year.

Operating stripping costs relate to the costs of extracting waste material as part of the ongoing mining process. The ongoing mining and development of the Group's open-pit mines is generally performed via a succession of individual phases. The costs of extracting material from an open-pit mine are generally allocated between ore and waste stripping in proportion to the tonnes of material extracted. The waste stripping costs are generally absorbed into inventory and expensed as that inventory is processed and sold. Where the stripping costs relate to a significant stripping campaign which is expected to provide improved access to an identifiable component of the ore body (typically an individual phase within the overall mine plan), the costs of removing waste in order to improve access to that part of the ore body will be capitalised within property, plant and equipment. The capitalised costs will then be amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates.

I) Intangible assets

Exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences, the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

J) Property, plant and equipment

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment in the year in which they are incurred, when a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved). The cost of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Once a project has been established as commercially viable, related development expenditure is capitalised. This includes costs incurred in preparing the site for mining operations, including pre-stripping costs. Capitalisation ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Interest on borrowings related to the construction or development of projects is capitalised as part of the cost of the asset. To the extent that borrowings have been put in place specifically to fund the construction of the asset, the capitalised amount will reflect the actual interest costs incurred on that borrowing. If the construction is funded out of general borrowings, the capitalised interest expense will be calculated based on the entity's weighted average interest rate, applied to the expenditure on the asset (with the capitalised interest amount not exceeding the entity's total borrowing cost for the period). The interest costs are capitalised until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production.

K) Depreciation of property, plant and equipment

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Property, plant and equipment is depreciated over its useful life, or over the remaining life of the operation if shorter, to residual value. The major categories of property, plant and equipment are depreciated as follows:

- i. **Land** – freehold land is not depreciated unless the value of the land is considered to relate directly to a particular mining operation, in which case the land is depreciated on a straight-line basis over the expected mine life.
- ii. **Mining properties** – mining properties, including capitalised financing costs, are depreciated on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.
- iii. **Buildings and infrastructure** – straight-line basis over 10 to 25 years.
- iv. **Railway track (including trackside equipment)** – straight-line basis over 20 to 25 years.
- v. **Wagons and rolling stock** – straight-line basis over 10 to 20 years.
- vi. **Machinery, equipment and other assets** – are depreciated on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis over 5 to 20 years.
- vii. **Assets under construction** – no depreciation until asset is available for use.
- viii. **Lease right-of-use assets** – if the lease transfers ownership of the asset at the end of the lease term the asset is depreciated over the useful life of the asset; otherwise, the asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.
- ix. **Stripping cost** – capitalised costs are amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates (Note 15).

Residual values and useful lives are reviewed, and adjusted if appropriate, at least annually, and changes to residual values and useful lives are accounted for prospectively.

2 Material accounting policies *continued*

L) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets relating to exploration and mining licences are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. In respect of historical impairments recognised in prior years, the Group also assesses whether there is any indication that impairment may no longer exist or may have decreased.

If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment or reversal (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. The estimates used in determining the present value of those cash flows are those that an independent market participant would consider appropriate. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation, as realisation of the full potential of the Group's mining operations typically requires further capital expenditure and ongoing mine development, and accordingly the Group typically applies this valuation estimate in its impairment assessments, unless indicated otherwise. Details of the valuations and sensitivities of the Group's mining operations considered as part of the impairment trigger assessment are included in Note 5.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment charge is recognised in the income statement immediately. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognised after taking into account the depreciation and/or amortisation that would otherwise have been recorded in the intervening period. A reversal is recognised in the income statement immediately.

M) Inventory

Inventory consists of raw materials and consumables, work-in-progress and finished goods. Work-in-progress represents material that is in the process of being converted into finished goods. The conversion process for mining operations depends on the nature of the copper ore. For sulphide ores, processing typically includes milling and concentrating, resulting in the production of copper concentrate. For oxide ores, processing includes leaching of stockpiles, solvent extraction and electrowinning and results in the production of copper cathodes. Finished goods consist of copper concentrate containing gold and silver at Los Pelambres and Centinela and copper cathodes at Centinela and Antucoya. Los Pelambres and Centinela also produce molybdenum as a by-product.

Inventory is valued at the lower of cost, on a weighted average basis, and net realisable value. Net realisable value represents estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost of finished goods and work-in-progress is production cost and for raw materials and consumables it is purchase price. Production cost includes:

- labour costs, raw material costs and other costs directly attributable to the extraction and processing of ore
- depreciation of plant, equipment and mining properties directly involved in the production process, and
- an appropriate allocation of production overheads.

Stockpiles represent ore that is extracted and is available for further processing. Costs directly attributable to the extraction of ore are generally allocated as part of production costs in proportion to the tonnes of material extracted. Operating stripping costs are generally absorbed into inventory, and therefore expensed as that inventory is processed and sold. If ore is not expected to be processed within 12 months of the balance sheet date it is included within non-current assets. If there is significant uncertainty as to when any stockpiled ore will be processed, it is expensed as incurred.

N) Taxation

Tax expense comprises the charges or credits for the year relating to both current and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the income statement because it excludes items of income or expense that are taxable and deductible in different years and also excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates for each entity in the consolidated financial statements which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences, with certain limited exceptions as follows:

- tax payable on undistributed earnings of subsidiaries, associates and joint ventures is provided except where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future
- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting or taxable profit and does not give rise to equal taxable and deductible temporary differences; and
- the initial recognition of any goodwill.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

Where tax treatments are uncertain, if it is considered probable that a taxation authority will accept the Group's proposed tax treatment, income taxes are recognised consistent with the Group's income tax filings. If it is not considered probable, the uncertainty is reflected within the carrying amount of the applicable tax asset or liability using either the most likely amount or an expected value, depending on which method better predicts the resolution of the uncertainty.

O) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

P) Provisions for decommissioning and restoration costs

Obligations to incur decommissioning and restoration costs can arise as a result of the development or ongoing operation of a mining property. Costs are estimated on the basis of a formal closure plan and are subject to regular formal review.

Decommissioning obligations arising from the construction of property, plant and equipment (including installation of plant and site preparation work) are provided for at their net present value as the construction of the asset gives rise to the obligation, and included within the property, plant and equipment cost. These decommissioning costs are charged against profit or loss over the life of the mine, through depreciation of the property, plant and equipment balance (recorded within operating expenses). The unwinding of the discount on the provision is recorded within other finance items. Changes in the measurement of a decommissioning provision are added to, or deducted from, the property, plant and equipment balance in the current year.

Restoration obligations arising from ongoing operating activities are provided for at their net present values and charged against operating expenses as the obligation arises. Changes in the measurement of a restoration provision which relate to a change in the estimate of the closure costs or a change in the discount rate are charged against operating expenses, and changes relating to foreign exchange are recorded within other finance items.

Q) Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. The Group currently does not have any equity-settled share-based payments to employees or third parties.

R) Post-employment benefits

The Group operates defined contribution schemes for a limited number of employees. For such schemes, the amount charged to the income statement is the contributions paid or payable in the year.

Employment terms may also provide for payment of a severance indemnity when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated.

The obligation recognised in the balance sheet represents the present value of the severance indemnity obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

S) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents have a maturity of 90 days or less at inception.

T) Liquid investments

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high-quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. These assets are measured at fair value through profit or loss, as these assets are held for trading, with the fair value movements recorded within investment income.

U) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. If the lease transfers ownership of the asset at the end of the lease term, the right-of-use asset is depreciated over the useful life of the asset; otherwise, the asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 Material accounting policies *continued*

U) Leases *continued*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

V) Other financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred the asset to another party. Financial liabilities are removed from the Group's balance sheet when they are extinguished – i.e. when the obligation specified in the contract has been discharged, cancelled or expired.

- Investments** – Equity investments which are not subsidiaries, associates or joint ventures are recognised at fair value. The Group generally applies an irrevocable election for each equity investment to designate them as Fair Value through Other Comprehensive Income (FVOCI). Fair value gains or losses are recognised in the equity investment revaluation reserve. If an equity investment is disposed of, the accumulated gains or losses are transferred from the equity investment revaluation reserve to retained earnings. Dividends from equity investments are recognised in the income statement when the right to receive payment is established.
- Trade and other receivables** – As explained above, for sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. Other receivable balances are measured at amortised cost.
- Trade and other payables** – Trade and other payables are generally not interest-bearing and they are measured at amortised cost.
- Other financial assets** – Other financial assets are typically measured at fair value through profit or loss, on the basis that the assets in question do not typically only generate cash flows that are solely payments of principal and interest.

- Borrowings (loans and preference shares)** – Interest-bearing loans and bank overdrafts are initially recognised at fair value which is typically equal to the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method. Amounts are either recorded as financing costs in profit or loss or capitalised in accordance with the accounting policy set out in Note 2(J). Fees that are paid for the availability of a facility where the amount and timing of drawdown can vary at the Group's discretion, such as a revolving credit facility, are capitalised and recognised in the income statement on a systematic basis over the life of the facility.

The total amount of interest paid, both in respect of interest recognised as an expense in profit or loss or capitalised in accordance with IAS 23: Borrowing Costs, is recognised within operating activities in the consolidated cash flow statement.

The Sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified within borrowings and translated into US dollars at period-end rates of exchange. Preference share dividends are included within other finance items within net finance expense in the income statement.

- Equity instruments** – Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its Sterling-denominated issued ordinary share capital and related share premium. As explained in Note 2(E), the presentational currency of the Group and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.
- Impairment of financial assets** – The Group applies the forward-looking expected credit loss model to its financial assets, other than those measured at fair value through profit or loss. The Group applies the IFRS 9 "simplified approach" to its trade receivables balances which are measured at cost, measuring the loss allowance at the lifetime expected credit loss. As explained above, for sales contracts which contain provisional pricing mechanisms, which reflects the majority of the Group's trade receivable balances, the total receivable balance is measured at fair value through profit or loss, and so potential expected credit loss allowances are not relevant for these balances. For other financial assets, where the credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12-month expected credit loss. If there has been a significant increase in credit risk, the loss allowance is measured at the lifetime expected credit loss. Increases or decreases to the credit loss allowance are recognised immediately in profit or loss.
- Other financial liabilities** – Other financial liabilities are initially recognised at fair value which is typically equal to the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

ix. **Derivative financial instruments** – The Group periodically uses derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. The Group does not use such derivative instruments for trading purposes. The Group has applied the hedge accounting provisions of IFRS 9 Financial Instruments. The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as hedges of future cash flows have been recognised in other comprehensive income and accumulated in equity. Such amounts are subsequently reclassified to profit or loss when the hedged item affects profit or loss or the forecast transaction is no longer expected to occur. For non-financial hedged items, the amount is removed directly from equity and included as an adjustment to the initial cost of the hedged item. Any ineffective portion is recognised immediately in profit or loss. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. For non-financial hedged items, on initial recognition of the hedged item the time value is removed from equity and included as an adjustment to the initial cost of the hedged item.

W) Exceptional items

Exceptional items are material items of income and expense which result from one-off transactions or transactions outside the ordinary course of business of the Group. These are 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.

X) Rounding

All amounts disclosed in the financial statements and notes have been rounded to the nearest million dollars unless otherwise stated.

These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements and key estimates applied in the financial statements are set out below.

Judgements

Non-financial assets impairment indicators and reversal of

impairment: The Group reviews the carrying value of its intangible assets and property, plant and equipment, as well as its investments in its associates and joint ventures, to determine whether there is an indication that those assets are impaired, or an indication that there has been a reversal of previous impairments. As at 31 December 2024 the following assessments have been performed:

- **Antucoya:** It has been determined that, as of 31 December 2024, there were indicators of a potential reversal of previous impairments. Accordingly, as detailed in Note 4, an estimate of the recoverable amount of the Antucoya operation has been performed.
- **Buenaventura:** It has been determined that, as of 31 December 2024, there were indicators of a potential impairment in relation to the Group's investment in associate balance in respect of Compañía de Minas Buenaventura S.A.A. ("Buenaventura"). Accordingly, as detailed in Note 18, an estimate of the recoverable amount of the Buenaventura investment in associate balance has been performed.
- **Other operations:** As detailed in Note 5, there were no indicators of potential impairment for the Group's other mining operations (i.e. Los Pelambres, Centinela and Zaldívar) as at 31 December 2024. However, whether or not an impairment indicator exists is considered a critical judgement at 31 December 2024 for Zaldívar, given the ongoing permitting process and the other factors set out in Note 5.

- **Accounting for investment in Buenaventura:** As detailed in Note 18, taking into account relevant factors including the Group's approximately 19% interest in Buenaventura's issued share capital and the Group's representation on Buenaventura's board, the Group is considered to have significant influence (in accordance with the IAS 28 Investments in Associates and Joint Ventures definition) over Buenaventura from March 2024 onwards. Accordingly, the Group's interest in Buenaventura has been accounted for as an investment in associate from that point.

Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group has not identified estimates and assumptions which are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Exceptional items

Exceptional items are material items of income and expense which result from one-off transactions or transactions outside the ordinary course of business of the Group. These are 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.

	Operating profit		Profit before tax		Income tax expenses		Earnings per share	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$M	\$M	\$M	\$M	\$M	\$M	cents per share	cents per share
Before exceptional items	1,637.3	1,782.8	1,648.7	1,798.4	(628.4)	(624.3)	62.8	72.0
• Reversal of impairment - Antucoya	371.4	–	371.4	–	(114.0)	–	17.4	–
• Fair value gain on other financial assets - Buenaventura	–	–	51.0	167.1	(12.7)	(41.8)	3.9	12.7
After exceptional items	2,008.7	1,782.8	2,071.1	1,965.5	(755.1)	(666.1)	84.1	84.7

A) Reversal of Antucoya impairment

An exceptional pre-tax gain of \$371.4 million (post-tax impact of \$257.4 million) has been recognised in respect of the reversal of previous impairments recognised in respect of property, plant and equipment of the Antucoya operation.

Antucoya recognised impairments totalling \$716 million in 2012 and 2016. Of the original impairment amounts, \$371.4 million remained available for reversal as at 31 December 2024.

It has been determined that there were indicators of a potential reversal of this remaining impairment as at 31 December 2024, with a quantitative analysis based on Antucoya's life-of-mine model indicating that the headroom exceeded the valuation benefit arising from the passage of time since the impairment. Accordingly, an estimate of the recoverable amount of the Antucoya operation has been performed. This estimate has been based on the fair value less costs of disposal for the operation, reflecting the net amount the Group would expect to receive from the sale of the operation in an orderly transaction between market participants.

This value has been estimated based on a discounted cash flow model, using Antucoya's life-of-mine model. This reflects a level 3 fair value measurement per the IFRS 13 fair value hierarchy. The key assumptions used in this estimation are listed below.

- 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 consensus analyst forecasts. A long-term copper price of \$4.15/lb (reflecting 2024 real terms) has been used in the model.
- Assumptions in respect of future production levels, operating costs and sustaining and development capital expenditure are consistent with the Group's internal life-of-mine model for Antucoya.
- A long-term exchange rate of Ch\$850/\$1 has been used in the model.
- A real post-tax discount rate of 8%, calculated using relevant market data, has been used in the model.
- Within the Annual Report, 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. The results of this scenario analysis have been considered as part of this valuation assessment.

The recoverable amount indicated by this assessment was \$2,013 million, which was \$583 million above the carrying value of Antucoya's relevant assets of \$1,431 million. The predominant driver behind this positive headroom has been the increasingly positive copper price outlook.

Given the level of headroom indicated by this valuation process, it is appropriate to fully reverse the remaining \$371.4 million element of the original impairments, resulting in an exceptional pre-tax gain of \$371.4 million. A deferred tax expense of \$114.0 million has been recognised in respect of this reversal, resulting in a post-tax impact of \$257.4 million.

The assumption to which the estimation of the recoverable amount is most sensitive is the future long-term copper price. A down-side sensitivity was performed with a long-term copper price of \$3.74/lb, reflecting a 10% reduction in the long-term price forecast. This sensitivity indicated a recoverable amount which was above the carrying value of Antucoya's relevant assets, after reflecting the impact of the impairment reversal.

B) Compañía de Minas Buenaventura S.A.A.

As detailed in Note 25, during 2023 the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. An exceptional fair value gain of \$51.0 million (2023 – \$167.1 million) was recognised during 2024 in respect of this agreement. A deferred tax expense of \$12.7 million (2023 – \$41.8 million) has been recognised in respect of this gain (see Note 11 and 28), resulting in a post-tax impact of \$38.3 million (2023 – \$125.3 million).

5 Asset sensitivities

As explained in Note 3, indicators of a potential reversal of the previous impairments at Antucoya were identified as at 31 December 2024. Accordingly, an estimate of the recoverable amount of the Antucoya operation has been performed, which has resulted in the full reversal of remaining element of the original impairments.

There were no indicators of potential impairment, or reversal of previous impairments, for the Group's non-current assets associated with its other mining operations (Los Pelambres, Centinela, and Zaldívar), as at 31 December 2024, 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 as adjusted for certain assumptions (including potential future development opportunities) ("the models"). These models provide indicative valuations and do not represent, or comply with, a formal impairment assessment prepared in accordance with IAS 36.

As noted above, no qualitative indicators of potential 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 the operations, with the indicated value of the assets in excess of their carrying value.

Relevant aspects of this process are detailed below.

A) 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 consensus analyst forecasts. A long-term copper price of \$4.15/lb (reflecting 2024 real terms) has been used in the models considered as part of the impairment indicator assessment, which has increased from \$3.70/lb (reflecting 2023 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 \$3.74/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 Zaldívar valuation indicated a potential deficit of \$40 million (on a 50% basis) (2023 – potential deficit of \$60 million). This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. 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.

B) 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\$850/\$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\$785/\$1 used in 2023. 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.

C) Discount rate

A real post-tax discount rate of 8% (2023 – 8%), calculated using relevant market data, has been used in the impairment indicator assessment.

D) Climate-related impacts

The assessments reflect the Group's estimates of potential future climate-related impacts. Within this Annual Report, the Group provides disclosures 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. The results of this scenario analysis have been incorporated into these assessments.

E) 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 operational assumptions to which the model is sensitive, as noted below.

- Currently, Zaldívar is permitted to extract water and mine until May 2025. The mine life after 2025 is subject to an Environmental Impact Assessment (EIA) application which was filed in June 2023 to extend the mining and water environmental permits to 2051. The EIA application includes a proposal to develop the primary sulphide ore deposit, extending the current life-of-mine, which requires estimated investments over the mine life of \$1.2 billion, and to convert 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, reflecting the positive progress to date, 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. During 2023, Zaldívar reached an agreement with Escondida with respect to mining matters and certain cost-sharing arrangements. The impairment indicator assessment assumes that the additional remaining 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 Zaldívar as at 31 December 2024 was \$895.1 million (2023 – \$881.3 million). Down-side sensitivities were performed in respect of the above factors, which indicated recoverable amounts which were above this carrying value.

6 Segment information

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 containing gold and silver as a by-product, and molybdenum concentrate. Centinela produces copper concentrate containing gold and silver as a by-product, molybdenum concentrates and copper cathodes. Antucoya and Zaldívar produce copper cathodes. The Transport division provides rail cargo 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 the Antofagasta plc, Antofagasta Minerals SA, 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 December 2024

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and evaluation \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	3,326.7	2,359.2	732.6	–	–	–	6,418.5	194.9	6,613.4
Operating cost excluding depreciation and loss on disposals and reversal of the provision against carrying value of assets ¹	(1,465.5)	(1,228.9)	(456.8)	–	(52.7)	(72.8)	(3,276.7)	(125.6)	(3,402.3)
Depreciation	(544.1)	(854.9)	(117.7)	–	–	(10.2)	(1,526.9)	(41.3)	(1,568.2)
Loss on disposals	(3.6)	(1.9)	–	–	–	(0.1)	(5.6)	–	(5.6)
Reversal of the provision against carrying value of assets (exceptional items)	–	–	371.4	–	–	–	371.4	–	371.4
Operating profit/(loss)	1,313.5	273.5	529.5	–	(52.7)	(83.1)	1,980.7	28.0	2,008.7
Net share of results from associates and joint ventures	–	–	–	15.1	–	61.4	76.5	(0.3)	76.2
Total operating profit from subsidiaries, and share of total results from associates and joint ventures	1,313.5	273.5	529.5	15.1	(52.7)	(21.7)	2,057.2	27.7	2,084.9
Investment income	46.7	40.1	11.0	–	–	85.3	183.1	1.1	184.2
Interest expense	(138.0)	(75.0)	(30.3)	–	–	(68.4)	(311.7)	(0.5)	(312.2)
Other finance items (excluding exceptional items)	23.5	30.2	7.9	–	–	4.2	65.8	(2.6)	63.2
Fair value gain on other financial assets – exceptional items ²	–	–	–	–	–	51.0	51.0	–	51.0
Profit/(loss) before tax	1,245.7	268.8	518.1	15.1	(52.7)	50.4	2,045.4	25.7	2,071.1
Tax – excluding exceptional items	(432.0)	(67.1)	(30.9)	–	–	(91.8)	(621.8)	(6.6)	(628.4)
Tax – exceptional items	–	–	(114.0)	–	–	(12.7)	(126.7)	–	(126.7)
Profit/(loss) for the year	813.7	201.7	373.2	15.1	(52.7)	(54.1)	1,296.9	19.1	1,316.0
Non-controlling interests	327.8	52.1	108.0	–	–	(1.3)	486.6	–	486.6
Profit/(losses) attributable to the owners of the parent	485.9	149.6	265.2	15.1	(52.7)	(52.8)	810.3	19.1	829.4
EBITDA³	1,861.2	1,130.3	275.8	99.9	(52.7)	36.4	3,350.9	75.9	3,426.8
Capital expenditure (cash basis) ⁴	833.0	1,414.0	123.4	–	–	7.1	2,377.5	37.4	2,414.9
Segment assets and liabilities									
Segment assets	7,886.3	8,145.7	2,281.2	–	–	2,110.5	20,423.7	435.1	20,858.8
Investment in associates and joint ventures	–	–	–	895.1	–	872.0	1,767.1	9.0	1,776.1
Segment liabilities	(4,076.8)	(2,877.1)	(591.9)	–	–	(2,064.3)	(9,610.1)	(70.6)	(9,680.7)

1. Operating cash outflow in the Exploration and evaluation segment was \$51.3 million.

In order to better reflect the Group's internal reporting, the Group has changed the classification of certain evaluation costs incurred by the individual mining operations of \$76.2 million, which were previously included in the Exploration and evaluation segment and are now included within the individual mine segments.

2. An exceptional fair value gain of \$51.0 million has been recognised in respect of an agreement under which the Group has now acquired 30 million shares in Compañía de Minas Buenaventura S.A.A. (see Note 18).

3. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges and reversals 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 (refer to the Alternative Performance Measures section).

4. In order to better reflect the Group's internal reporting, the Group has changed the basis of its capital expenditure segment measure (being additions to non-current assets) to be on a cash basis rather than an accruals basis. Additions on an accruals basis for the year, as presented in Note 15, were \$2,734.9 million.

6 Segment information *continued*

A) Segment revenues and results *continued*

For the year ended 31 December 2023

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and Evaluation ² \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	2,923.8	2,532.5	672.3	–	–	–	6,128.6	195.9	6,324.5
Operating cost excluding depreciation and loss on disposals ¹	(1,231.8)	(1,348.9)	(465.4)	–	(64.9)	(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)	1,373.4	456.3	97.5	–	(64.9)	(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	1,373.4	456.3	97.5	(15.4)	(64.9)	(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 ²	–	–	–	–	–	167.1	167.1	–	167.1
Profit/(loss) before tax	1,406.9	456.1	73.2	(15.4)	(64.9)	65.2	1,921.1	44.4	1,965.5
Tax – excluding exceptional items	(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	941.7	313.0	58.6	(15.4)	(64.9)	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/(losses) attributable to the owners of the parent	569.2	223.5	53.1	(15.4)	(64.9)	40.3	805.8	29.3	835.1
EBITDA³	1,692.0	1,183.6	206.9	86.8	(64.9)	(98.7)	3,005.7	81.5	3,087.2
Additions to non-current assets									
Capital expenditure (cash basis) ⁴	897.1	1,044.6	121.6	–	–	15.5	2,078.8	50.4	2,129.2
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
Investment 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. Operating cash outflow in the Exploration and evaluation segment was \$61.8 million.

In order to better reflect the Group's internal reporting, the Group has changed the classification of certain evaluation costs incurred by the individual mining operations of \$76.2 million, which were previously included in the Exploration and evaluation segment and are now included within the individual mine segments, as follows: Los Pelambres \$32.6 million, Centinela \$35.4 million and Antucoya \$8.2 million.

2. An exceptional fair value gain of \$167.1 million has been recognised in respect of an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Note 18.

3. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges and reversals 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 (refer to the Alternative Performance Measures section).

4. In order to better reflect the Group's internal reporting, the Group has changed the basis of its capital expenditure segment measure to be on a cash basis rather than an accruals basis. The restated amount changed from \$2,307.9 million to \$2,129.2 million, reflecting a decrease of \$178.7 million, as follows: Los Pelambres \$17.2 million, Centinela \$137.8 million, Antucoya \$19.1 million, Corporate \$3.5 million and Transport division \$1.1 million.

Notes to segment revenues and results

- (i) Inter-segment revenues are eliminated on consolidation. The only inter-segment revenue related to sales from the Transport division to the mining division of \$9.6 million (year ended 31 December 2023 – \$10.3 million), has been eliminated and is therefore not reflected in the above figures.
- (ii) Revenue includes provisionally priced sales of copper, gold and molybdenum concentrates and copper cathodes. Further details of such adjustments are given in Note 18.
- (iii) For 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. Treatment and refining charges for copper and molybdenum concentrates are detailed in Note 7.
- (iv) The assets of the Transport division segment include \$9.0 million (31 December 2023 – \$9.8 million) relating to the Group’s 30% interest in Antofagasta Terminal International SA (“ATI”), which operates a concession to manage installations in the port of Antofagasta. Further details of these investments are set out in Note 18.

B) Group-wide disclosures

Revenue by product

	2024 \$m	2023 \$m
Copper		
• Los Pelambres	2,710.0	2,381.1
• Centinela Concentrates	970.5	1,309.8
• Centinela Cathodes	896.1	692.6
• Antucoya	726.0	666.1
Provision of shipping services		
• Los Pelambres	64.4	50.3
• Centinela Concentrates	24.3	35.3
• Centinela Cathodes	7.4	6.0
• Antucoya	6.6	6.2
Gold		
• Los Pelambres	110.3	83.5
• Centinela Concentrates	336.5	323.4
Molybdenum		
• Los Pelambres	387.4	373.2
• Centinela Concentrates	100.8	131.0
Silver		
• Los Pelambres	54.6	35.7
• Centinela Concentrates	23.6	34.4
Total Mining Division	6,418.5	6,128.6
Transport division	194.9	195.9
	6,613.4	6,324.5

6 Segment information *continued*

B) Group-wide disclosures *continued*

Revenue by location of customer

	2024 \$m	2023 \$m
Europe		
• United Kingdom	23.8	22.8
• Switzerland	367.8	386.5
• Spain	82.9	–
• Germany	160.8	200.0
• Rest of Europe	170.7	89.9
Latin America		
• Chile	366.9	399.5
• Rest of Latin America	289.7	133.0
North America		
• United States	470.1	441.7
Asia		
• Japan	1,961.4	1,989.6
• China	1,292.2	1,417.3
• Singapore	336.2	450.2
• South Korea	436.7	391.1
• Hong Kong	236.2	204.7
• Rest of Asia	418.0	198.2
	6,613.4	6,324.5

Information about major customers

In the year ended 31 December 2024, the Group's mining revenue included \$860.5 million related to one large customer that individually accounted for more than 10% of the Group's revenue (year ended 31 December 2023 – one large customer representing \$1,081.0 million).

Non-current assets by location of assets

	2024 \$m	2023 \$m
Chile	16,392.2	14,017.3
Other	8.7	9.5
	16,400.9	14,026.8
	2024 \$m	2023 \$m
Non-current assets per the balance sheet	16,476.6	14,455.9
The above amounts by location reflect non-current assets per the balance sheet excluding:		
• Deferred tax assets	(9.7)	(72.0)
• Account receivables	(54.4)	(68.5)
• Equity investments	(11.6)	(288.6)
Total of non-current assets above	(75.7)	(429.1)
Non-current assets by location of asset	16,400.9	14,026.8

7 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 limited futures market for that commodity.

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 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. 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:

	2024 \$m	2023 \$m
Revenue from contracts with customers		
Sale of products	6,306.4	6,016.2
Provision of shipping services associated with the sale of products ¹	102.7	97.8
Transport division ²	194.9	195.9
Provisional pricing adjustments in respect of copper, gold and molybdenum	9.4	14.6
Total revenue	6,613.4	6,324.5

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. The shipping service represents a separate performance obligation, and is recognised separately from the sale of the material, with the shipping revenue recognised over time as the shipping service is provided.
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 6.

The following tables set out the impact of provisional pricing adjustments, and treatment and refining charges for the more significant products. The revenue from these products which includes, for the sale of copper, revenue associated with the provision of shipping services, is reconciled to total revenue in Note 6.

7 Revenue *continued*

For the year ended 31 December 2024

	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 \$m	Los Pelambres Silver concentrate \$m	Centinela Silver concentrate \$m	Total Mining division \$m
Provisionally priced sales of products	2,851.1	1,023.1	899.7	725.9	106.3	330.0	408.8	104.0	54.7	23.4	6,527.0
Revenue from freight services	64.4	24.3	7.4	6.6	–	–	–	–	–	–	102.7
	2,915.5	1,047.4	907.1	732.5	106.3	330.0	408.8	104.0	54.7	23.4	6,629.7
Effects of pricing adjustments to previous year invoices											
Reversal of mark-to-market adjustments at the end of the previous year	(45.1)	(16.2)	(0.3)	(0.2)	–	(2.6)	1.0	0.4	–	–	(63.0)
Settlement of sales invoiced in the previous year	62.5	27.0	(1.0)	(0.9)	(0.3)	1.6	3.4	0.7	(0.6)	.	92.4
Total effect of adjustments to previous year invoices in the current year	17.4	10.8	(1.3)	(1.1)	(0.3)	(1.0)	4.4	1.1	(0.6)	–	29.4
Effects of pricing adjustments to current year invoices											
Settlement of sales invoiced in the current year	10.8	14.7	(0.9)	2.6	4.5	8.5	2.8	5.1	1.1	0.6	49.8
Mark-to-market adjustments at the end of the current year	(40.1)	(22.0)	(1.4)	(1.4)	–	(0.4)	(4.0)	(0.5)	–	–	(69.8)
Total effect of adjustments to current year invoices	(29.3)	(7.3)	(2.3)	1.2	4.5	8.1	(1.2)	4.6	1.1	0.6	(20.0)
Total pricing adjustments	(11.9)	3.5	(3.6)	0.1	4.2	7.1	3.2	5.7	0.5	0.6	9.4
Revenues before deducting treatment and refining charges	2,903.6	1,050.9	903.5	732.6	110.5	337.1	412.0	109.7	55.2	24.0	6,639.1
Treatment and refining charges	(129.2)	(56.1)	–	–	(0.2)	(0.6)	(24.6)	(8.9)	(0.6)	(0.4)	(220.6)
Revenue net of tolling charges	2,774.4	994.8	903.5	732.6	110.3	336.5	387.4	100.8	54.6	23.6	6,418.5

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 2023

	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 \$m	Los Pelambres Silver concentrate \$m	Centinela Silver concentrate \$m	Total Mining division \$m
Provisionally priced sales of products	2,465.4	1,363.1	689.5	663.9	79.2	319.3	455.4	161.1	35.6	34.3	6,266.8
Revenue from freight services	50.3	35.3	6.0	6.2	–	–	–	–	–	–	97.8
	2,515.7	1,398.4	695.5	670.1	79.2	319.3	455.4	161.1	35.6	34.3	6,364.6
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)	–	–	(82.4)
Settlement of sales invoiced in the previous year	90.9	52.9	10.3	7.7	2.9	1.0	40.0	15.9	0.3	0.4	222.3
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	0.3	0.4	139.9
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)	0.3	0.2	(188.3)
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)	–	–	63.0
Total effect of adjustments to current year invoices	(7.1)	(2.8)	(6.4)	(4.7)	1.5	6.5	(85.1)	(27.7)	0.3	0.2	(125.3)
Total pricing adjustments	45.8	30.2	3.1	2.2	4.4	4.8	(57.7)	(19.4)	0.6	0.6	14.6
Revenues before deducting treatment and refining charges	2,561.5	1,428.6	698.6	672.3	83.6	324.1	397.7	141.7	36.2	34.9	6,379.2
Treatment and refining charges	(130.1)	(83.5)	–	–	(0.1)	(0.7)	(24.5)	(10.7)	(0.5)	(0.5)	(250.6)
Revenue net of tolling charges	2,431.4	1,345.1	698.6	672.3	83.5	323.4	373.2	131.0	35.7	34.4	6,128.6

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.

7 Revenue *continued*

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.

		2024	2023
Sales provisionally priced at the balance sheet date	Tonnes	157,300	181,400
Average mark-to-market price	\$/lb	3.96	3.87
Average provisional invoice price	\$/lb	4.14	3.72

II) Copper cathodes

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

		2024	2023
Sales provisionally priced at the balance sheet date	Tonnes	11,600	16,400
Average mark-to-market price	\$/lb	3.94	3.85
Average provisional invoice price	\$/lb	4.05	3.84

III) Gold in concentrate

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

		2024	2023
Sales provisionally priced at the balance sheet date	Ounces	25,400	32,400
Average mark-to-market price	\$/oz	2,634	2,072
Average provisional invoice price	\$/oz	2,650	1,992

IV) Molybdenum concentrate

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

		2024	2023
Sales provisionally priced at the balance sheet date	Tonnes	2,700	2,600
Average mark-to-market price	\$/lb	21.40	18.50
Average provisional invoice price	\$/lb	22.00	18.80

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 debtors 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	
	2024 \$m	2023 \$m
Los Pelambres – copper concentrate	(40.1)	45.1
Los Pelambres – molybdenum concentrate	(4.0)	(1.0)
Centinela – copper concentrate	(22.0)	16.2
Centinela – molybdenum concentrate	(0.5)	(0.4)
Centinela – gold in concentrate	(0.4)	2.6
Centinela – copper cathodes	(1.4)	0.3
Antucoya – copper cathodes	(1.4)	0.2
	(69.8)	63.0

8 Operating profit and share of total results from associates and joint ventures

Operating profit from subsidiaries, and share of total results from associates and joint ventures, is derived from revenue by deducting operating costs as follows:

	2024 \$m	2023 \$m
Revenue	6,613.4	6,324.5
Cost of sales	(4,109.0)	(3,666.4)
Gross profit	2,504.4	2,658.1
Administrative and distribution expenses	(581.3)	(618.5)
Other operating income	48.2	50.8
Other operating expenses ¹	(334.0)	(307.6)
Operating profit	1,637.3	1,782.8
Net share of results from associates and joint ventures	76.2	(13.5)
Total operating profit and share of total results from associates and joint ventures before exceptional items	1,713.5	1,769.3
Exceptional item – Reversal of impairment	371.4	-
Total operating profit and share of total results from associates and joint ventures after exceptional items	2,084.9	1,769.3

1. Other operating expenses comprise \$52.7 million of exploration and evaluation expenditure (year ended 31 December 2023 – \$64.9 million), \$25.4 million in respect of the employee severance provision (year ended 31 December 2023 – \$25.7 million), \$0.8 million in respect of the closure provision (year ended 31 December 2023 – \$12.8 million), and \$255.1 million of other expenses (including drilling costs & evaluation of \$98.9 million (year ended 31 December 2023 – \$76.2 million), costs of community programmes of \$44.9 million (year ended 31 December 2023 – \$44.6 million), the “ad valorem” element of the new mining royalty of \$28.7 million (year ended 31 December 2023 – nil), and other expenses of \$82.6 million (year ended 31 December 2023 – \$83.4 million).

Profit before tax is stated after (charging)/crediting:

	2024 \$m	2023 \$m
Foreign exchange losses		
• included in net finance expense	(82.1)	(12.5)
Depreciation of property, plant and equipment		
• owned assets	(1,404.6)	(1,127.7)
• leased assets	(163.6)	(83.6)
Loss on disposal of property, plant and equipment	(5.6)	-
Cost of inventories recognised as an expense	(2,637.3)	(2,457.8)
Employee benefit expense	(569.3)	(619.9)
Decommissioning and restoration (operating expenses)	(0.8)	(12.8)
Severance charges (see Note 27)	(25.4)	(25.7)
Exploration and evaluation expense	(52.7)	(64.9)
Auditor’s remuneration	(2.3)	(2.4)

A more detailed analysis of auditor’s remuneration on a worldwide basis is provided below:

Group	2024 \$000	2023 \$000
Fees payable to the Company’s auditor and their associates for the audit of the Parent Company and consolidated financial statements	854.0	1,685.0
Fees payable to the Company’s auditor and their associates for other services:		
• The audit of the Company’s subsidiaries	1,214.0	598.0
• Audit-related assurance services ¹	252.0	109.0
	2,320.0	2,392.0

1. The audit-related assurance services relate to the half-year review performed by the auditor.

The 2024 figures in the above table reflect fees payable to Deloitte in their role as the Company’s auditor in that year, and the 2023 figures reflect fees payable to PwC in their role as the Company’s auditor in that year. In addition to the amounts reflected in the above table, during 2024 the Company paid fees of \$280,000 to PwC related to the bond issue in that year, which required the Group to engage PwC to act as the reporting accountant in respect of the 2023 figures included in the bond documentation, work which is in effect required to be performed by the Group’s auditor.

No services were provided pursuant to contingent fee arrangements.

9 Employees

A) Average monthly number of employees

	2024 Number	2023 Number
Los Pelambres	1,369	1,154
Centinela	2,573	2,503
Antucoya	925	914
Exploration and evaluation	59	58
Corporate and other		
• Chile	720	591
• United Kingdom	5	4
• Other	4	4
Mining and Corporate	5,655	5,228
Transport division	1,360	1,402
	7,015	6,630

The average number of employees for the year includes all the employees of subsidiaries. The average number of employees does not include contractors who are not directly employed by the Group.

The average number of employees does not include employees of associates and joint ventures.

B) Aggregate remuneration

The aggregate remuneration of the employees included in the table above was as follows:

	2024 \$m	2023 ¹ \$m
Wages and salaries	(627.3)	(674.9)
Social security costs	(35.7)	(33.9)
	(663.0)	(708.8)

1. The 2023 amounts for wages and salaries have been restated from \$589.4 million to \$674.9 million, and social security costs have been restated from \$30.5 million to \$33.9 million to present the gross salaries and wages (before capitalisations).

C) Key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Directors (Executive and Non-Executive) of the Company. Key management personnel who are not Directors have been identified as senior management at the corporate centre and those responsible for the running of the key business divisions of the Group, specifically the Executive Committee and the General Managers of the Group's subsidiary operations.

Compensation for key management personnel (including Directors) was as follows:

	2024 \$m	2023 \$m
Salaries and short-term employee benefits ¹	(18.4)	(18.0)
Long-term incentive plan	(7.0)	(9.1)
	(25.4)	(27.1)

1. The 2023 amounts for salaries and short-term employee benefits have been restated from \$27.1 million to \$18.0 million to separately present the amounts relating to the long-term incentive plan.

The aggregate total Board remuneration required by Schedule 5 of the Large and Medium-sized Companies and Group (Financial Statement) Regulations 2008 is presented on page 152 of the Annual Report.

10 Net finance income/(expense)

	2024 \$m	2023 \$m
Investment income		
Interest income	73.0	43.1
Gains on liquid investments held at fair value through profit or loss	111.2	95.0
	184.2	138.1
Interest expense		
Interest expense	(312.2)	(105.6)
	(312.2)	(105.6)
Other finance items		
Unwinding of discount on provisions and adjustments to provision discount rates	(18.8)	(15.8)
Exceptional fair value gains (see Note 4)	51.0	167.1
Effects of changes in foreign exchange rates	82.1	12.5
Preference dividends	(0.1)	(0.1)
	114.2	163.7
Net finance (expense)/income	(13.8)	196.2

In the year ended 31 December 2024, amounts capitalised and consequently not included within the above table were as follows: \$30.2 million at Los Pelambres (year ended 31 December 2023 – \$104.2 million) and \$36.9 million at Centinela (year ended 31 December 2023 – \$7.9 million). The average interest rate for the interest capitalised was 6.42% (2023 – 6.0%).

The interest expense shown above includes \$17.1 million in respect of leases (year ended 31 December 2023 – \$10.5 million) and \$41.6 million (year ended 31 December 2023 – nil) of interest expense in respect of the other financial liability balance relating to the Centinela water transportation agreement, as detailed in Note 23.

An exceptional fair value gain of \$51.0 million (2023 – \$167.1 million) has been recognised in respect of an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Note 4.

11 Income tax expense

The tax charge for the year comprised the following:

	2024 \$m	2023 \$m
Current tax charge		
• Corporate tax (principally first category tax in Chile)	(385.8)	(472.8)
• Mining tax (royalty)	(206.0)	(109.3)
• Withholding tax	(71.1)	(4.5)
• Exchange rate	–	(0.2)
	(662.9)	(586.8)
Deferred tax charge		
• Corporate tax (principally first category tax in Chile)	(83.3)	(3.7)
• Mining tax (royalty)	76.4	(2.7)
• Adjustment to deferred tax due to introduction of new royalty	–	(34.3)
• Deferred tax on exceptional items (see Note 4)	(126.7)	(41.8)
• Withholding tax	41.4	3.2
	(92.2)	(79.3)
Total tax charge	(755.1)	(666.1)

The rate of first category (i.e. corporate) tax in Chile is 27.0% (2023 – 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 (i.e. corporate) tax already paid in respect of the profits to which the remittances relate. The withholding tax charge in the prior 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).

11 Income tax expense *continued*

The new Chilean mining royalty has taken effect since 1 January 2024. The new royalty terms include a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability, as well as a 1% ad valorem royalty on copper sales. As the ad valorem element is based on revenue rather than profit it does not meet the IAS 12: Income Taxes definition of a tax expense and is therefore recorded as an operating expense. The new royalty terms have 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% on Mining Operating Margin less the royalty ad-valorem expense.

Los Pelambres and Zaldívar have been subject to the new royalty from 1 January 2024. The impact of the new royalty for Los Pelambres in 2024 included the recognition of a \$28.7 million expense (see Note 8) within operating expenses in respect of the ad valorem element. Zaldívar (which as a joint venture is equity-accounted for, and so its tax expense is not consolidated within the above Group tax expense line) was also subject to the new royalty from 1 January 2024. Centinela and Antucoya have tax stability agreements in place, and so the new royalty rates will only impact their royalty payments from 2030 onwards. Until then, they continue to be subject to the previous royalty system, applying a rate of between 5% to 14% of taxable operating profit, depending on the level of operating profit margin.

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 31 December 2024 Excluding exceptional items		Year ended 31 December 2024 Including exceptional items		Year ended 31 December 2023 Excluding exceptional items		Year ended 31 December 2023 Including exceptional items	
	\$m	%	\$m	%	\$m	%	\$m	%
Profit before tax	1,648.7		2,071.1		1,798.4		1,965.5	
Profit before tax multiplied by Chilean corporate tax rate of 27%	(445.1)	27.0	(559.2)	27.0	(485.6)	27.0	(530.7)	27.0
Mining tax (royalty)	(216.5)	13.1	(216.5)	10.5	(109.7)	6.1	(109.7)	5.6
Deduction of mining tax (royalty) as an allowable expense in determination of first category tax	55.8	(3.4)	55.8	(2.7)	29.5	(1.6)	29.5	(1.5)
Items not deductible from first category tax	(3.9)	0.2	(3.9)	0.2	(21.4)	1.2	(21.4)	1.1
Adjustment in respect of prior years	1.7	(0.1)	1.7	(0.1)	4.5	(0.3)	4.5	(0.2)
Adjustment to deferred tax in respect of mining royalty	67.1	(4.1)	67.1	(3.2)	(34.3)	1.9	(34.3)	1.7
Withholding tax	(29.7)	1.8	(29.7)	1.4	(1.4)	0.1	(1.4)	0.1
Tax effect of (loss)/profit of associates and joint ventures	20.0	(1.1)	20.0	(1.0)	(3.6)	0.2	(3.6)	0.2
Impact of unrecognised tax losses on current tax	(77.8)	4.7	(77.8)	3.8	(2.3)	0.1	(2.3)	0.1
Reversal of the provision against carrying value of assets (exceptional items)	–	–	(13.7)	0.7	–	–	–	–
Difference in overseas tax rates	–	–	1.1	(0.1)	–	–	3.3	(0.2)
Tax expense and effective tax rate for the year	628.4	38.1	755.1	36.5	(624.3)	34.7	(666.1)	33.9

The effective tax rate (excluding exceptional items) of 38.1% varied from the statutory rate principally due to:

- The mining tax (royalty) (net impact of \$160.7 million/9.7% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax)
- The withholding tax relating to the remittance of profits from Chile (impact of \$29.7 million / 1.8%)
- Adjustments to deferred tax in respect of the mining royalty (impact of \$67.1 million / 4.1%)
- Items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside Chile (impact of \$3.9 million / 0.2%)
- Adjustments in respect of prior years (impact of \$1.7 million / 0.1%)
- The impact of unrecognised tax losses (impact of \$77.8 million / 4.7%) and
- An offsetting 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 \$20.0 million / 1.1%).

The effective tax rate (including exceptional items) of 36.5% varied from the statutory rate due to the factors outlined above, and due to the impact of the difference in the overseas tax rate which applied to the exceptional item (tax effect of 25% in the UK versus the 27% Chilean rate).

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

- 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.
- 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.
- The potential applicability of the mining royalty cap, as described above.

OECD Pillar Two model rules

The Group falls within the scope of the OECD Pillar two model rules, which introduce a minimum effective tax rate of 15% for multinational companies.

The rules were substantively enacted in the UK in 2023 and became 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 has evaluated the impact of these rules on its tax expense, which has indicated no effect on the Group's 2024 tax expense.

The Group applied the mandatory exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar 2 income taxes in accordance with the amendments to IAS 12 adopted by the UK Endorsement Board on 19 July 2023.

In relation to the analysis of the controlling interest and identification of the Group's Ultimate Parent Entity (UPE) for Pillar 2 purposes, management conducted several analyses and confirmed that the 'deemed' consolidation rule in section (b) of the controlling interest definition should apply to the E. Abaroa Foundation. This would recognise the E. Abaroa Foundation as holding a controlling interest in both Metalinvest and Antofagasta plc. Consequently, the E. Abaroa Foundation should be considered the UPE of the Multinational Enterprise (MNE) Group for Pillar Two purposes.

Additionally, based on 2023 data and adjustments for material changes in 2024, the Group is confident that all jurisdictions within the Antofagasta plc Group will meet at least one of the Transitional Country-by-Country Reporting Safe Harbour (TCSH) tests and, as such, will qualify for TCSH.

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.

12 Earnings per share

	2024 \$m	2023 \$m
Profit for the period attributable to owners of the parent (excluding exceptional items)	619.5	709.8
Exceptional items	209.9	125.3
Profit for the period attributable to owners of the parent (including exceptional items) from operations	829.4	835.1
	2024 Number	2023 Number
Ordinary shares in issue throughout each year	985,856,695	985,856,695
	2024 Cents	2023 Cents
Basic earnings per share (excluding exceptional items) from operations	62.8	72.0
Basic earnings per share (exceptional items) from operations	21.3	12.7
Basic earnings per share (including exceptional items) from operations	84.1	84.7

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2023: 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:

		2024	2023
Profit for the year attributable to owners of the parent	\$m	829.4	835.1
Ordinary shares	Number	985,856,695	985,856,695
Basic earnings per share from continuing operations	Cents	84.1	84.7

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2024 \$m	2023 \$m	2024 Cents per share	2023 Cents per share
Final dividend paid in June (proposed in relation to the previous year)				
• Ordinary	239.6	497.9	24.3	50.5
Interim dividend paid in September				
• Ordinary	77.9	115.3	7.9	11.7
	317.4	613.2	32.2	62.2

The recommended final dividend for each year, which is subject to approval by shareholders at the Annual General Meeting and has therefore not been included as a liability in these financial statements, is as follows:

	2024 \$m	2023 \$m	2024 Cents per share	2023 Cents per share
Final dividend proposed in relation to the year				
• Ordinary	231.7	239.6	23.5	24.3

Total dividends proposed in relation to 2024 (including the interim dividend) are 31.4 cents per share or \$309.6 million (2023 – 36.0 cents per share or \$354.9 million).

In accordance with IAS 32, preference dividends have been included within net finance income/(expense) (see Note 10) and amounted to \$0.1 million (2023 – \$0.1 million).

14 Intangible assets

	Cost \$m	Accumulated depreciation and impairment \$m	Net book value \$m
At 31 December 2023	150.1	(150.1)	–
At 31 December 2024	150.1	(150.1)	–

The intangible asset relates to Twin Metals' mining licence 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.

15 Property, plant and equipment

	Land \$m	Mining properties \$m	Stripping costs \$m	Buildings and infrastructure \$m	Railway track \$m	Wagons and rolling stock \$m	Machinery, equipment and other \$m	Assets under construction \$m	Right-of- use assets \$m	Total \$m
Cost										
At 31 December 2022	61.9	672.0	3,535.3	5,978.9	134.7	207.4	7,241.3	4,322.7	531.1	22,685.3
Reclassification to opening balance¹	(9.6)	(23.0)	–	(388.1)	(0.1)	0.7	1,052.2	(734.4)	1.4	(100.9)
At 1 January 2023	52.3	649.0	3,535.3	5,590.8	134.6	208.1	8,293.5	3,588.3	532.5	22,584.4
Additions	11.9	–	792.5	1.5	12.2	13.6	5.3	1,293.2	177.7	2,307.9
Additions – capitalised depreciation	–	–	90.3	–	–	–	–	–	–	90.3
Adjustment to capitalised decommissioning provisions	–	–	–	(27.2)	–	–	(4.7)	–	–	(31.9)
Capitalisation of interest	–	–	–	–	–	–	–	112.1	–	112.1
Reclassifications	(0.4)	–	–	10.7	–	–	(10.6)	(0.1)	–	(0.4)
Reclassifications – restatement ²	–	–	–	1,071.4	–	–	390.9	(1,378.1)	(84.2)	–
Asset disposals	–	–	–	–	–	–	(1.9)	–	(0.7)	(2.6)
At 31 December 2023	63.8	649.0	4,418.1	6,647.2	146.8	221.7	8,672.5	3,615.4	625.3	25,059.8
At 1 January 2024	63.8	649.0	4,418.1	6,647.2	146.8	221.7	8,672.5	3,615.4	625.3	25,059.8
Additions	–	0.2	388.6	–	–	–	–	2,226.5	119.6	2,734.9
Additions – capitalised depreciation	–	–	87.9	–	–	–	–	–	–	87.9
Adjustment to capitalised decommissioning provisions	–	–	–	–	–	–	(13.1)	–	–	(13.1)
Capitalisation of interest	–	–	–	–	–	–	–	67.1	–	67.1
Reclassifications	(7.1)	–	–	2,437.8	26.9	24.9	269.4	(2,719.3)	(32.6)	–
Asset disposals	(0.9)	–	(2,197.4)	–	–	–	(7.7)	(1.4)	(120.8)	(2,328.2)
At 31 December 2024	55.8	649.2	2,697.2	9,085.0	173.7	246.6	8,921.1	3,188.3	591.5	25,608.4
Accumulated depreciation and impairment										
At 31 December 2022	(25.0)	(648.2)	(1,725.2)	(3,209.1)	(52.2)	(124.9)	(4,970.7)	–	(386.5)	(11,141.8)
Reclassification to opening balance¹	25.5	43.0	(192.0)	459.7	0.3	4.8	(235.5)	–	(4.9)	100.9
At 1 January 2023	0.5	(605.2)	(1,917.2)	(2,749.4)	(51.9)	(120.1)	(5,206.2)	–	(391.4)	(11,040.9)
Charge for the year	–	(13.7)	(366.1)	(342.1)	(8.7)	(16.8)	(380.3)	–	(83.6)	(1,211.3)
Depreciation capitalised in inventories	–	–	–	–	–	–	(41.2)	–	–	(41.2)
Depreciation capitalised in property, plant and equipment	–	–	–	–	–	–	(90.3)	–	–	(90.3)
Reclassifications – restatement	–	–	–	–	–	–	(83.0)	–	83.0	–
Asset disposals	–	–	–	–	–	–	1.9	–	0.7	2.6
At 31 December 2023	0.5	(618.9)	(2,283.3)	(3,091.5)	(60.6)	(136.9)	(5,799.1)	–	(391.3)	(12,381.1)
At 1 January 2024	0.5	(618.9)	(2,283.3)	(3,091.5)	(60.6)	(136.9)	(5,799.1)	–	(391.3)	(12,381.1)
Charge for the year	–	1.8	(692.3)	(371.0)	(11.6)	(19.9)	(311.6)	–	(163.6)	(1,568.2)
Depreciation capitalised in inventories	–	0.9	–	(184.4)	–	–	(154.9)	–	–	(338.4)
Depreciation capitalised in property, plant and equipment	–	–	(87.9)	–	–	–	–	–	–	(87.9)
Reclassifications	–	–	–	–	–	–	(32.2)	–	32.2	–
Reverse of impairments	–	–	–	–	–	–	371.4	–	–	371.4
Asset disposals	–	–	2,197.4	–	–	–	5.7	–	109.7	2,312.8
At 31 December 2024	0.5	(616.2)	(866.1)	(3,646.9)	(72.3)	(156.8)	(5,920.7)	–	(412.9)	(11,691.4)
Net book value										
At 31 December 2024	56.3	33.0	1,831.1	5,438.1	101.5	89.8	3,000.4	3,188.3	178.5	13,917.0
At 31 December 2023	64.3	30.1	2,134.8	3,555.7	86.2	84.8	2,873.4	3,615.4	234.0	12,678.7

1. The opening balances as of 1 January, 2023 and the closing balances as of 31 January 2023 have been restated to reclassify certain assets into their correct classes, with \$100.9m of fully depreciated assets that have been disposed of also being removed from cost and accumulated depreciation.
2. The reclassifications between categories during 2023 have been restated to correctly reflect the different categories of assets, with the main movement being from Assets under construction to Buildings and infrastructure, with no overall net impact to the total asset balance. Depreciation had appropriately commenced for the relevant assets when they were available for use.
3. The reclassifications between categories during 2023 have been restated to correctly reflect the different categories of assets between machinery, equipment and other to right-of-use asset.

15 Property, plant and equipment *continued*

The Group has no (2023 – nil) assets pledged as security against bank loans provided to the Group.

At 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$3,773.4 million (2023 – \$978.3 million) of which \$1,291.6 million was related to Los Pelambres and \$2,383.9 million to Centinela.

The average interest rate for the interest capitalised was 6.42% (2023 – 6.0%).

At 31 December 2024, the net book value of assets capitalised relating to the decommissioning provision was \$128.9 million (2023 – \$158.6 million).

Depreciation capitalised in property, plant and equipment of \$87.9 million related to the depreciation of assets used in mine development (capitalised stripping costs) (2023 – \$90.3 million).

During the year ended 31 December 2024, the total amount of depreciation capitalised within Property, plant and equipment or inventories was \$426.4 million (year ended 31 December 2023 – \$131.5 million), and has accordingly been excluded from the depreciation charge recorded in the income statement as shown in Note 6.

At 31 December 2024, the Group leases various assets including machinery and equipment leases of \$174.6 million (2023 – \$228.6 million) and office leases of \$3.9 million (31 December 2023 – \$5.3 million). The depreciation charge for right-of-use assets for machinery and equipment leases was \$162.1 million (2023 – \$82.2 million) and for office leases was \$1.5 million (2023 – \$1.4 million).

16 Investments in subsidiaries

The subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 31 December 2024	Economic interest at 31 December 2023
Direct subsidiaries of the Parent Company						
Antofagasta Railway Company plc	UK	Chile	1	Railway	100%	100%
Andes Trust Limited (The)	UK	UK	1	Investment	100%	100%
Andean LFMA Investment Limited	UK	Chile	1	Investment	100%	100%
Alfa Estates Limited	Jersey	Jersey	3	Investment	100%	100%
Andes Re Limited	Bermuda	Bermuda	4	Insurance	100%	100%
Indirect subsidiaries of the Parent Company						
Minera Los Pelambres SCM	Chile	Chile	2	Mining	60%	60%
Minera Centinela SCM	Chile	Chile	2	Mining	70%	70%
Minera Antucoya SCM	Chile	Chile	2	Mining	70%	70%
Antofagasta Minerals S.A.	Chile	Chile	2	Mining	100%	100%
Energía Andina Geothermal SpA	Chile	Chile	2	Energy	100%	100%
MLP Transmisión S.A.	Chile	Chile	2	Energy	100%	100%
Sociedad Contractual Minera El Encierro	Chile	Chile	2	Mining	61.90%	57.17%
Northern Minerals Investment (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Northern Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Northern Minerals Holding Co	USA	USA	5	Investment	100%	100%
Duluth Metals Limited	Canada	Canada	7	Investment	100%	100%
Twin Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Twin Metals (USA) Inc	USA	USA	6	Investment	100%	100%
Twin Metals Minnesota LLC	USA	USA	6	Mining	100%	100%
Franconia Minerals (US) LLC	USA	USA	6	Mining	100%	100%
Duluth Metals Holdings (USA) Inc	USA	USA	13	Investment	100%	100%
Duluth Exploration (USA) Inc	USA	USA	14	Investment	100%	100%
DMC LLC (Minnesota)	USA	USA	13	Investment	100%	100%
DMC (USA) LLC (Delaware)	USA	USA	13	Investment	100%	100%
DMC (USA) Corporation	USA	USA	13	Investment	100%	100%
Antofagasta Investment Company Limited	UK	Jersey	1	Investment	100%	100%
Minprop Limited	Jersey	Jersey	3	Mining	100%	100%
Antomin 2 Limited	BVI	BVI	8	Mining	51%	51%
Antomin Investors Limited	BVI	BVI	8	Mining	51%	51%
Minera Anaconda Peru S.A.	Peru	Peru	10	Mining	100%	100%
Los Pelambres Holding Company Limited	UK	Jersey	1	Investment	100%	100%
Los Pelambres Investment Company Limited	UK	Jersey	1	Investment	100%	100%
Lamborn Land Co	USA	USA	5	Investment	100%	100%

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 31 December 2024	Economic interest at 31 December 2023
Anaconda South America Inc	USA	USA	15	Investment	100%	100%
El Tesoro (SPV Bermuda) Limited	Bermuda	Bermuda	4	Investment	100%	100%
Antofagasta Minerals (Shanghai) Co. Limited	China	China	16	Agency	100%	100%
Andes Investments Company (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Bolivian Rail Investors Co Inc	USA	USA	5	Investment	100%	100%
Inversiones Los Pelambres Chile Limitada	Chile	Chile	2	Investment	100%	100%
Equatorial Resources SpA	Chile	Chile	2	Investment	100%	100%
Minera Santa Margarita de Astillas SCM	Chile	Chile	2	Mining	98.01%	98.01%
Minera Penacho Blanco SA	Chile	Chile	2	Mining	66.6%	66.6%
Michilla Costa SpA	Chile	Chile	2	Logistics	99.9%	99.9%
Minera Pampa Fenix SCM	Chile	Chile	2	Investment	90.0%	90.0%
Minera Mulpun Limitada	Chile	Chile	2	Mining	100%	100%
Fundación Minera Los Pelambres	Chile	Chile	2	Community development	100%	100%
Inversiones Punta de Rieles Limitada	Chile	Chile	12	Investment	100%	100%
Ferrocarril Antofagasta a Bolivia	Chile	Chile	12	Railway	100%	100%
Inversiones Mineras Northern Mines y Compañía Limitada	Chile	Chile	12	Investment	100%	100%
The Andes Trust Chile SA	Chile	Chile	12	Investment	100%	100%
Bosques Panguipulli S.A.	Chile	Chile	12	Forestry	100%	100%
Servicios de Transportes Integrados Limitada	Chile	Chile	12	Road transport	100%	100%
Inversiones Train Limitada	Chile	Chile	12	Investment	100%	100%
Servicios Logísticos Capricornio Limitada	Chile	Chile	12	Transport	100%	100%
Embarcadores Limitada	Chile	Chile	12	Transport	100%	100%
FCAB Ingeniería y Servicios DOS Limitada	Chile	Chile	12	Transport	100%	100%
Inmobiliaria Parque Estación S.A.	Chile	Chile	12	Real Estate	100%	100%
Emisa Antofagasta SA	Chile	Chile	12	Transport	100%	100%

Registered offices:

1. 103 Mount Street, London, W1K 2TJ, UK
2. Avenida Apoquindo N° 4001, Piso 18, Las Condes, Santiago, Chile
3. 22 Grenville Street, St Helier, Jersey, JE4 8PX3, Channel Islands
4. Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
5. 1209 Orange Street, Wilmington, DE 19801, USA
6. 6040 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
7. 161 Bay Street, Suite 4320, Toronto, Ontario, M5J 2S1, Canada
8. PO Box 958, Road Town, Tortola VG1110, British Virgin Islands
9. Riparian Plaza, Level 28, 71 Eagle Street, Brisbane, Qld 4001, Australia
10. Avenida Paseo de la Republica N° 3245 Piso 3, Lima, Peru
11. Avenida 16 de Julio N° 1440, Piso 19 oficina 1905, La Paz, Bolivia
12. Simon Bolivar 255, Antofagasta, Chile
13. 6041 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
14. 1010 Dale Street N, St Paul, MN 55117-5603, USA
15. 2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
16. Unit 3309, IFC 2, 8 Century Avenue, Shanghai, China

16 Investments in subsidiaries *continued*

With the exception of the Antofagasta Railway Company plc, all of the above Group companies have only one class of ordinary share capital in issue. The Antofagasta Railway Company plc has ordinary and preference share capital in issue, with the ordinary share capital representing 76% of the Company's total share capital, and the preference share capital representing 24%. Antofagasta plc holds 100% of both the ordinary and preference shares.

The proportion of voting rights is proportional to the economic interest for the companies listed above.

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

In May 2023, the Group received the \$944.7 million cash proceeds associated with its agreement 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.

18 Investment in associates and joint ventures

	Buenaventura (i) 2024 \$m	ATI (ii) 2024 \$m	Zaldívar (iii) 2024 \$m	Total 2024 \$m
Balance at the beginning of the year	–	9.8	881.3	891.1
Recognition of new investment	814.1	–	–	814.1
Dividends received	(3.5)	(0.4)	–	(3.9)
Share of profit/(loss) from joint venture and associates	61.4	(0.3)	15.1	76.2
Share of other comprehensive loss of associates and joint ventures, net of tax	–	(0.1)	(1.3)	(1.4)
Balance at the end of the year	872.0	9.0	895.1	1,776.1

	ATI (ii) 2023 \$m	Zaldívar (iii) 2023 \$m	Total 2023 \$m
Balance at the beginning of the year	7.3	897.3	904.6
Capital contribution	0.6	–	0.6
Share of profit/(loss) from joint venture and associates	1.9	(15.4)	(13.5)
Share of other comprehensive loss of associates and joint ventures, net of tax	–	(0.6)	(0.6)
Balance at the end of the year	9.8	881.3	891.1

The investments, which are included in the \$1,776.1 million balance at 31 December 2024, are set out below:

Investment in associates

- (i) Buenaventura – The Group has an 18.94% interest in Buenaventura. Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru. During 2023, the Group entered into an agreement to acquire up to 30 million shares in Buenaventura, representing approximately 12% of Buenaventura's issued share capital. In addition, the Group held as of 31 December 2023 an existing holding of approximately 18.1 million shares in Buenaventura, representing approximately 7% of Buenaventura's issued share capital (see Note 19). As at 31 December 2023, an "other financial asset" balance was 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 was recognised during 2023 in respect of this asset (see Note 4). In March 2024, the transaction pursuant to the agreement completed, resulting in the Group holding approximately 48.1 million shares in Buenaventura, representing approximately 19% of Buenaventura's issued share capital. Iván Arriagada and Andrónico Luksic Lederer were elected to Buenaventura's board in March 2024. Taking into account relevant factors including the Group's approximately 19% interest in Buenaventura's issued share capital and the associated rights to propose directors for election to Buenaventura's board and to vote in favour of the election of those individuals accordingly, the Group is considered for accounting purposes to have significant influence (in accordance with the IAS 28: Investments in Associates and Joint Ventures definition) over Buenaventura from March 2024 onwards. Accordingly, the Group's interest in Buenaventura has been accounted for as an investment in associate from that point (see Note 3).

Immediately prior to the transaction completing in March 2024, the Group's existing 7% equity interest was carried at a fair value of \$305.9 million and the financial asset relating to the agreement to acquire the 12% interest was carried at a fair value of \$508.2 million, with both valuations being based on the quoted share price of Buenaventura on that date. On completion, these two assets were de-recognised and the investments in associate was initially recognised at an equivalent value of \$814.1 million with no gain or loss arising.

A fair value gain of \$51.0 million in respect of the "other financial asset" balance recognised in respect of the transaction was recognised between 1 January 2024 and the completion of the agreement in March 2024.

The Group has undertaken an exercise to recognise the identifiable assets and liabilities effectively included within the investments in associate balance at their acquisition-date fair values. No goodwill or gain on bargain purchase has been recognised as a result of this exercise.

Impairment review

As explained above, the initial carrying value of the investment in associate balance was recorded in March 2024 at a value equivalent to the fair value of the shares, reflecting their market value at that date. Between that date and 31 December 2024, the Buenaventura share price decreased by approximately 30%. This has been assessed as an indicator of a potential impairment of the investment in associate balance, and accordingly an impairment review has been performed as at 31 December 2024. This review concluded that the recoverable amount of the investment balance is above its carrying value, and accordingly no impairment is required or appropriate.

This review has been based on the fair value less costs of disposal for the investment balance, reflecting the net amount the Group would expect to receive from the sale of the operation in an orderly transaction between market participants. This value has been estimated based on a discounted cash flow model in respect of Buenaventura's directly and indirectly held operations, investments and projects, as well as the valuation of additional mineral resources based on resource multiples. This reflects a level 3 fair value measurement per the IFRS 13 fair value hierarchy. The key assumptions used in this estimation are listed below:

- The forecasts of future metal price (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on consensus analyst forecasts. A long-term copper price of \$4.15/lb and a long-term gold price of \$2,056/oz (both reflecting 2024 real terms) have been used in the model; however, no assurances can be given that these prices will be maintained in 2025 or future years.
- Assumptions in respect of future production levels, operating costs and sustaining and development capital expenditure, generally based on publicly available results, forecasts and technical reports in respect of Buenaventura's directly and indirectly held operations, minority interest investments and projects.
- Discount rates calculated using relevant market data have been used in the model.

The recoverable amount indicated by this assessment was above the carrying value of the investment in associate balance, and accordingly no impairment is required or appropriate as at 31 December 2024.

The assumptions to which the estimation of the recoverable amount is most sensitive are the future metal prices. Down-side sensitivities were performed with a long-term copper price of \$3.74/lb and a long-term gold price of \$1,850/oz, each reflecting a 10% reduction in the long-term price forecast. These sensitivities each continued to indicate a recoverable amount above the carrying value of the investment in associate balance.

Buenaventura's registered office is Calle Las Begonias 415 – Piso 19, San Isidro, Lima, Perú.

- (ii) ATI – The Group has a 30% interest in Antofagasta Terminal Internacional (ATI), which operates a concession to manage installations in the port of Antofagasta. ATI's registered office is Avenida Grecia 1901 – 1915 Lote F, Antofagasta, Chile.

Summarised financial information for the associates is as follows:

	Buenaventura 2024 \$m	ATI 2024 \$m	2024 \$m	ATI 2023 \$m
Current assets	838.4	23.8	862.2	21.6
Non-current assets	5,253.8	78.2	5,332.0	84.3
Current liabilities	(479.7)	(12.8)	(492.5)	(13.6)
Non-current liabilities	(1,008.5)	(59.1)	(1,067.6)	(62.1)
Net assets	4,604.0	30.1	4,634.1	30.2
Assets and liabilities above include:				
Cash and cash equivalents	478.4	8.8	487.2	5.9
Revenue	1,154.6	64.3	1,218.9	65.9
Profit from continuing operations	417.3	5.3	422.6	6.2
Total comprehensive income	417.3	5.3	422.6	6.2

The above summarised financial information is based on the amounts included in the IFRS financial statements of the associate (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.

Investment in joint ventures

- (iii) Zaldívar - The Group has a 50% interest in Minera Zaldívar SpA (Zaldívar). Zaldívar is an open-pit, heap-leach copper mine which produces copper cathodes using the solvent extraction and electrowinning (SX-EW) process. The mine is 3,000 metres above sea level, approximately 1,400 km north of Santiago and 175 km south-east of the city of Antofagasta. Zaldívar's registered office is Avenida Grecia 750, Antofagasta, Chile.

18 Investment in associates and joint ventures *continued*

Investment in joint ventures *continued*

Summarised financial information for the joint venture is as follows:

	Minera Zaldivar 2024 \$m	Minera Zaldivar 2023 \$m
Revenue	719.9	718.6
Depreciation and amortisation	(181.3)	(164.4)
Other operating costs	(518.8)	(550.3)
Operating profit	19.8	3.9
Finance expense	5.1	(6.2)
Income tax	(0.1)	(28.4)
Profit/(loss) after tax	24.8	(30.7)
Other comprehensive expense	(3.7)	(1.2)
Total comprehensive income/(expense)	21.1	(31.9)
Non-current assets	1,488.6	1,626.7
Current assets	709.5	640.6
Current liabilities	(189.3)	(231.0)
Non-current liabilities	(218.6)	(273.7)
Net assets	1,790.2	1,762.6
The assets and liabilities above include:		
• Cash and cash equivalents	96.7	38.4
• Current financial liabilities	(189.3)	(57.8)
• Non-current financial liabilities	(218.6)	(38.1)
Dividends received from joint venture	–	–

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

Reconciliation of the above amounts to the investment recognised in the Group balance sheet

	Buenaventura 2024	ATI 2024	Zaldivar 2024	Total 2024	ATI 2023	Zaldivar 2023	Total 2023
Group interest							
Net assets (100%)	4,604.0	30.1	1,790.2	5,380.0	32.7	1,762.6	1,795.3
Group's ownership interest	18.94%	30.00%	50.00%	–	30.00%	50.00%	–
Carrying value of Group's interest	872.0	9.0	895.1	1,578.3	9.8	881.3	891.1

The above net asset figures are 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.

19 Equity investments

	2024 \$m	2023 \$m
Balance at the beginning of the year	288.6	90.5
Acquisition	–	60.7
Movements in fair value ¹	29.7	137.0
Reallocation to associates	(305.9)	–
Foreign currency exchange differences	(0.8)	0.4
Balance at the end of the year	11.6	288.6

1. A deferred tax expense of \$7.7 million has been recognised in respect of the movements in the fair value of equity investments, resulting in a post-tax gain of \$22.0 million (see Note 28).

Equity investments represent those investments which are not subsidiaries, associates or joint ventures and are not held for trading purposes. Because the Group intends to hold these investments for long-term strategic purposes, at initial recognition they were designated at Fair Value through Other Comprehensive Income (FVTOCI). The fair value of all equity investments is based on quoted market prices.

Of the total equity investment balance at 31 December 2023, \$275.2 million related to a holding of approximately 18.1 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 7% of Buenaventura's issued share capital. As detailed in Note 4 and Note 18, during 2023 the Group entered into an agreement to acquire an additional holding of up to 30 million shares in Buenaventura, representing approximately 12% of Buenaventura's issued share capital. In March 2024, the transaction pursuant to the agreement completed and the Group's interest in Buenaventura has been accounted for as an investment in associate from that date, resulting in the derecognition of the equity investment with the fair value of these shares at that time forming part of the initial investment in associate balance.

At the date of the reallocation of the equity investment in Buenaventura into the investment in associates balance, the fair value of the equity investment balance was \$305.9 million and the accumulated gain on revaluation of this investment within equity was \$130.4 million. This amount was transferred from the equity investment revaluation reserve to retained earnings. A fair value gain of \$30.7 million was recognised between 1 January 2024 and reallocation to the investment in associates balance in March 2024.

20 Inventories

	2024 \$m	2023 \$m
Current		
Raw materials and consumables	266.6	231.0
Work-in-progress	499.7	375.4
Finished goods	158.8	64.6
	925.1	671.0
Non-current		
Work-in-progress	707.8	457.0
Total	1,632.9	1,128.0

During 2024, there were no net realisable value (NRV) adjustments (2023 – \$6.0 million). Non-current work-in-progress represents inventory expected to be processed more than 12 months after the balance sheet date.

21 Trade and other receivables

Trade and other receivables do not generally carry any interest, are principally short-term in nature and are normally stated at their nominal value less any impairment.

	Due in one year		Due after one year		Total	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Trade receivables	699.6	950.1	–	–	699.6	950.1
Other receivables	199.9	167.7	54.4	68.5	254.3	236.2
	899.5	1,117.8	54.4	68.5	953.9	1,186.3

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. There is no material element which is interest-bearing. Trade receivables include mark-to-market adjustments in respect of provisionally priced sales of copper and molybdenum concentrates which remain open as to final pricing. Further details of such adjustments are given in Note 7. Other receivables include mainly IVA (Chilean Value-added Tax) receivables of \$147.3 million (31 December 2023 – \$106.8 million) and employee loans of \$46.9 million (31 December 2023 – \$53.0 million).

Movements in the expected credit loss provision were as follows:

	2024 \$m	2023 \$m
Balance at the beginning of the year	(1.2)	(1.0)
Utilised in year	(0.1)	(0.3)
Foreign currency exchange difference	0.1	0.1
Balance at the end of the year	(1.2)	(1.2)

21 Trade and other receivables *continued*

The ageing analysis of the trade and other receivables balance, excluding non-financial assets (as reconciled in Note 25(A)), is as follows:

	Not due \$m	Up to 3 months past due \$m	3-6 months past due \$m	More than 6 months past due \$m	Total excluding expected credit loss provision \$m	Expected credit loss provision \$m	Total \$m
2024	790.9	6.7	0.5	1.5	799.6	(1.2)	798.4
2023 ¹	1,056.2	13.9	0.5	4.2	1,074.8	(1.2)	1,073.6

1. The balances as of 2023 have been restated by \$112.7 million, from \$1,186.3 million to \$1,073.6 million, to exclude "non-financial assets" (see Note 25(A)).

As explained above, for sales contracts which contain provisional pricing mechanisms, which reflects the majority of the Group's trade receivable balances, the total receivable balance is measured at fair value through profit or loss, and so potential expected credit loss allowances are not relevant for these balances.

The carrying value of the trade receivables recorded in the financial statements represents the Group's maximum exposure to credit risk in relation to these items. Other than the expected credit loss provision amount set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

22 Cash and cash equivalents, and liquid investments

The fair value of cash and cash equivalents, and liquid investments is not materially different from the carrying values presented. The credit risk on cash and cash equivalents is considered to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cash and cash equivalents, and liquid investments comprised:

	2024 \$m	2023 \$m
Cash and cash equivalents	2,189.2	644.7
• Cash on hand	0.5	0.7
• Mutual funds	122.6	–
• Term deposits	1,146.9	226.3
• Bank (on-demand deposits)	919.2	417.7
Liquid investments	2,127.1	2,274.7
	4,316.3	2,919.4

At 31 December 2024 and 2023 there is no cash which is subject to restriction.

The denomination of cash, cash equivalents and liquid investments was as follows:

	2024 \$m	2023 \$m
US dollars	4,190.6	2,895.3
Chilean pesos	124.5	22.3
Sterling	0.7	1.2
Other	0.5	0.6
	4,316.3	2,919.4

The credit quality of cash, cash equivalents and liquid investments are as follow:

	2024 \$m	2023 ¹ \$m
AAA	1,769.8	2,075.1
AA+	122.6	–
AA	43.0	–
AA-	146.7	118.6
A+	1,218.1	290.0
A	1,016.1	435.7
Total cash, cash equivalents and liquid investments	4,316.3	2,919.4

1. The above 2023 comparatives have been restated to allocate \$105.5 million of amounts relating to certain short-term operational bank accounts which had previously been presented separately, into the various credit rating categories.

There have been no impairments recognised in respect of cash or cash equivalents in the year ended 31 December 2024 (year ended 31 December 2023 – nil).

Borrowings and other financial liabilities

A) Analysis by type of borrowing and other financial liabilities

Borrowings and other financial liabilities may be analysed by business segment and type as follows:

	Note	2024 \$m	2023 \$m
Borrowings			
• Senior loans		(2,584.8)	(2,412.6)
Los Pelambres	(i)	(1,887.6)	(2,067.2)
Centinela	(ii)	(572.6)	(166.3)
Antucoya	(iii)	(124.6)	(174.1)
Transport division		–	(5.0)
• Subordinated debt		(205.5)	(187.6)
Antucoya	(iv)	(205.5)	(187.6)
• Other loans		(670.0)	(265.0)
Los Pelambres	(v)	(475.0)	–
Centinela	(vi)	(195.0)	(265.0)
• Bonds		(1,729.0)	(986.8)
Corporate	(vii)	(1,729.0)	(986.8)
		(5,189.3)	(3,852.0)
Leases			
• Los Pelambres	(vii)	(19.2)	(45.2)
• Centinela	(ix)	(114.1)	(142.8)
• Antucoya	(x)	(13.4)	(17.4)
• Corporate	(xi)	(12.1)	(18.4)
• Transport division	(xii)	(0.9)	(0.9)
		(159.7)	(224.7)
Other financial liabilities			
• Centinela	(xiii)	(594.0)	–
		(594.0)	–
Preference shares			
• Corporate	(xiv)	(2.4)	(2.5)
		(2.4)	(2.5)
Total		(5,945.4)	(4,079.2)

- (i) The senior loans at Los Pelambres represent:
- An initial \$910 million US dollar denominated syndicated loan divided in three tranches. The first tranche has a remaining duration of 1 year 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 4 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 3.5 years and has an interest rate of Term SOFR six-month rate plus an all-in margin of 1.53%. An additional \$185 million US dollar denominated bullet loan was issued in September 2024, with a 3-year remaining duration and an interest rate of Term SOFR six-month rate + 1.40%. The loans are subject to financial covenants requiring the maintenance of specified Net Financial Debt/EBITDA, EBITDA/Interest Expense and Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value) ratios, which have been complied with, with significant headroom, throughout the period. The outstanding amount at the end of the period is \$1,077.6 million.

23 Borrowings and other financial liabilities

A) Analysis by type of borrowing and other financial liabilities *continued*

- Three US dollar denominated senior loans were issued in December 2023 for a total amount of \$810 million. The first loan is a \$200 million bullet with a remaining duration of 2 years and an interest rate of Term SOFR six-month rate plus 1.60%. The second loan is a \$200 million bullet with a remaining duration of 4 years and an interest rate of Term SOFR six-month rate plus 1.69%. The third loan is a \$410 million amortising balance, with a remaining duration of 4 years, and an interest rate of Term SOFR six-month rate plus 1.70%. The amount outstanding at the end of the period is \$810.0 million.
- (ii) The senior loans at Centinela represent:
 - Centinela has a US dollar denominated senior loan with an amount outstanding of \$33.3 million with a duration of less than 1 year 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 requiring the maintenance of specified Net Financial Debt/EBITDA, EBITDA/Interest Expense and Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value) ratios, which have been complied with, with significant headroom, throughout the period.
 - Centinela's project finance in respect of the Second Concentrator Project, which has a committed amount of \$2.5 billion. During 2024 there were three debt disbursements totalling \$619.5 million (less initial arrangement fees). The borrowing has a remaining 11-year duration and is divided in to six different tranches with interest rates of Term SOFR six-month rate plus margins of between 0.85% and 1.90%. The amount outstanding (net of initial arrangements fees) is \$539.3 million.
- (iii) The senior loan at Antucoya represents a US dollar denominated syndicated loan with an amount outstanding of \$125 million. This loan has a remaining duration of 2.5 years and has an interest rate of Term SOFR six-month rate plus 1.40%. The loan is subject to financial covenants which requiring the maintenance of specified Net Financial Debt/EBITDA, EBITDA/Interest Expense and Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value) ratios, which have been complied with, with significant headroom, throughout the period.
- (iv) Subordinated debt at Antucoya is US dollar denominated, provided to Antucoya by Marubeni Corporation with a remaining duration of 2.5 years and an interest rate of Term SOFR six-month rate plus an all-in margin of 4.08%. The outstanding amount at the end of the period is \$206 million. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.
- (v) In April 2024, Los Pelambres issued two short-term loans for a total amount of \$185 million, with a remaining duration of less than 1 year. In May 2024, Los Pelambres issued three short-term loans for a total amount of \$290 million, with a remaining duration of less than 1 year.
- (vi) In March 2024, Centinela issued a short-term loan for a total amount of \$45 million and a remaining duration of less than 1 year. In July 2024, Centinela issued a short-term loan for a total amount of \$150 million. This loan has a remaining term of less than 1 year.
- (vii) Antofagasta plc in October 2020 issued a corporate bond for \$500 million with a 10-year tenor with a coupon rate of 2.375%. In May 2022, Antofagasta plc issued a corporate bond for \$500 million with a 10-year tenor with a coupon rate of 5.625%. In May 2024, Antofagasta plc issued a corporate bond for \$750 million with a 10-year tenor with a coupon rate of 6.250%.
- (viii) Los Pelambres: Equipment leases embedded within wider service contracts, denominated in UF (Unidad de Fomento – i.e. inflation-linked Chilean pesos), Chilean pesos and dollars.
- (ix) Centinela: Equipment leases embedded within wider service contracts, denominated in UF (Unidad de Fomento – i.e. inflation-linked Chilean pesos), Chilean pesos and dollars.
- (x) Antucoya: Equipment leases embedded within wider service contracts, denominated in UF (Unidad de Fomento – i.e. inflation-linked Chilean pesos), Chilean pesos and dollars.
- (xi) Financial Leases at Corporate and other items which are denominated in Unidades de Fomento (i.e. inflation-linked Chilean pesos) and have a remaining duration of 2 years and are at fixed rates with an average interest rate of 5.2%, and property lease agreements and equipment leases embedded within wider service contracts within Corporate and other items which are denominated in different currencies.
- (xii) Transport division: equipment leases embedded within wider service contracts, denominated in UF (Unidad de Fomento – i.e. inflation-linked Chilean pesos) and Chilean pesos.
- (xiii) In June 2024 Centinela entered into an 18-year water transportation agreement, involving its existing water supply and future water supply to the Centinela Second Concentrator Project. Under the terms of the agreement, Centinela's existing water transportation assets have been legally transferred to an international consortium for net cash proceeds of \$598.6 million. For accounting purposes, it has been determined that Centinela continues to control the assets, as it will continue to obtain substantially all the remaining benefits from the assets. Accordingly, the existing assets remain in Centinela's balance sheet, with the cash receipt resulting in the recognition of the corresponding other financial liability balance, which will be repaid over the 18-year agreement term.
- (xiv) 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.

B) Leases

Information in respect of the Group's leases is contained in the following notes:

- Note 15 – depreciation charges, additions and disposals in respect of the right-of-use assets relating to the leases
- Note 32 (B) – repayments of the lease balances and new lease liabilities arising during the period
- Note 10 – interest expense in respect of the lease balances
- Note 10 – cash paid relating to interest on leases

C) Analysis of borrowings and other financial liabilities by currency

The exposure of the Group's borrowings to currency risk is as follows:

	Chilean pesos \$m	Sterling \$m	US dollars \$m	2024 Total \$m
At 31 December 2024				
Senior loans	–	–	(2,584.8)	(2,584.8)
Bonds	–	–	(1,729.0)	(1,729.0)
Other loans (including short-term loans)	–	–	(875.5)	(875.5)
Other financial liabilities	–	–	(594.0)	(594.0)
Leases	(141.0)	(3.0)	(15.7)	(159.7)
Preference shares	–	(2.4)	–	(2.4)
	(141.0)	(5.4)	(5,799.0)	(5,945.4)

	Chilean pesos \$m	Sterling \$m	US dollars \$m	2023 Total \$m
At 31 December 2023				
Senior loans	–	–	(2,412.6)	(2,412.6)
Bonds	–	–	(986.8)	(986.8)
Other loans (including short-term loans)	–	–	(452.6)	(452.6)
Leases	(174.8)	(3.5)	(46.4)	(224.7)
Preference shares	–	(2.5)	–	(2.5)
	(174.8)	(6.0)	(3,898.4)	(4,079.2)

D) Analysis of borrowings and other financial liabilities by type of interest rate

The exposure of the Group's borrowings to interest rate risk is as follows:

	Fixed \$m	Floating \$m	2024 Total \$m
At 31 December 2024			
Senior loans	–	(2,584.8)	(2,584.8)
Bonds	(1,729.0)	–	(1,729.0)
Other loans (including short-term loans)	(670.0)	(205.5)	(875.5)
Other financial liabilities	(594.0)	–	(594.0)
Leases	(159.7)	–	(159.7)
Preference shares	(2.4)	–	(2.5)
	(3,155.1)	(2,790.3)	(5,945.4)

	Fixed \$m	Floating \$m	2023 Total \$m
At 31 December 2023			
Senior loans	(5.0)	(2,407.6)	(2,412.6)
Bonds	(986.8)	–	(986.8)
Other loans (including short-term loans)	–	(452.6)	(452.6)
Leases	(224.7)	–	(224.7)
Preference shares	(2.5)	–	(2.5)
	(1,219.0)	(2,860.2)	(4,079.2)

23 Borrowings and other financial liabilities *continued*

E) Maturity profile

The maturity profile of the Group's borrowings is as follows:

	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2024 Total \$m
At 31 December 2024					
Senior loans	(549.9)	(596.9)	(908.1)	(529.9)	(2,584.8)
Bonds	–	–	–	(1,729.0)	(1,729.0)
Other loans	(670.0)	–	(205.5)	–	(875.5)
Other financial liabilities	(6.1)	(12.2)	(47.3)	(528.4)	(594.0)
Leases	(96.5)	(28.5)	(34.5)	(0.2)	(159.7)
Preference shares	–	–	–	(2.4)	(2.4)
	(1,322.5)	(637.6)	(1,195.4)	(2,789.9)	(5,945.4)
At 31 December 2023					
Senior loans	(529.1)	(570.9)	(1,287.6)	(25.0)	(2,412.6)
Bonds	–	–	–	(986.8)	(986.8)
Other loans	(265.0)	–	(187.6)	–	(452.6)
Leases	(107.8)	(73.0)	(42.6)	(1.3)	(224.7)
Preference shares	–	–	–	(2.5)	(2.5)
	(901.9)	(643.9)	(1,517.8)	(1,015.6)	(4,079.2)

Medium and long-term borrowings and other financial liabilities are items that are due beyond one year.

The amounts included above for leases are based on the present value of minimum lease payments.

The total minimum lease payments for these leases may be analysed as follows:

	2024 \$m	2023 \$m
Within 1 year	(105.2)	(121.0)
Between 1 – 2 years	(30.8)	(79.0)
Between 2 – 5 years	(37.1)	(47.4)
After 5 years	–	–
Total minimum lease payments	(173.1)	(247.4)
Less amounts representing finance charges	13.4	22.7
Present value of minimum lease payments	(159.7)	(224.7)

All leases are on a fixed payment basis and no arrangements have been entered into for contingent rental payments.

The Group has different types of equipment leases embedded within wider contracts mainly in respect of contracts for earth and mineral movement services, maintenance services, truck rentals, machinery rental and operation, property lease agreements and equipment lease agreements.

There are no variable lease payments that are based on an index or a rate.

F) Financing facilities

On 30 December 2022, Antofagasta plc agreed a revolving credit facility (RCF) of \$500 million which had a term of three years, expiring on 30 December 2025.

Subsequent to 31 December 2024, the RCF was extended for a further three years, and now expires on 30 December 2028.

	Facility available		Drawn		Undrawn	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Revolving credit facility	(500.0)	(500.0)	–	–	(500.0)	(500.0)
	(500.0)	(500.0)	–	–	(500.0)	(500.0)

24 Trade and other payables

	Due in one year		Due after one year		Total	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
Trade creditors	(938.1)	(788.1)	–	–	(938.1)	(788.1)
Other creditors and accruals	(382.2)	(383.4)	(10.2)	(9.8)	(392.4)	(393.2)
	(1,320.3)	(1,171.5)	(10.2)	(9.8)	(1,330.5)	(1,181.3)

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Other creditors are mainly related to property plant and equipment payables, finance interest and employee tax.

The average credit period taken for trade purchases is 18 days (2023 – 20 days).

Other creditors are mainly related to property, plant and equipment payables of \$142.0 million (2023 – \$145.2 million), finance interest of \$74.5 million (2023 – \$59.5 million) and employee tax of \$15.1 million (2023 – \$11.5 million).

25 Financial instruments and financial risk management

A) Categories of financial instruments

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

	At fair value through profit and loss	At fair value through other comprehensive income	Derivative instruments at fair value, designated as hedges	Held at amortised cost	Total 2024 \$m
Financial assets					
Equity investments	–	11.6	–	–	11.6
Trade and other receivables	669.1	–	–	129.3	798.4
Cash and cash equivalents	124.3	–	–	2,064.9	2,189.2
Liquid investments	2,127.1	–	–	–	2,127.1
	2,920.5	11.6	–	2,194.2	5,126.3
Financial liabilities					
Borrowings and other financial liabilities	–	–	–	(5,945.4)	(5,945.4)
Derivative financial instruments	–	–	(25.5)	–	(25.5)
Trade and other payables	–	–	–	(1,177.4)	(1,177.4)
	–	–	(25.5)	(7,122.8)	(7,148.3)

	At fair value through profit and loss	At fair value through other comprehensive income	Derivative instruments at fair value, designated as hedges	Held at amortised cost	Total 2023 \$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					
Borrowings and other financial liabilities	–	–	–	(4,079.2)	(4,079.2)
Trade and other payables ¹	–	–	–	(1,029.2)	(1,029.2)
	–	–	–	(5,108.4)	(5,108.4)

1. The comparative amount for Trade and other payables has been restated from \$1,154.3 to \$1,029.2 to exclude relevant employee benefit liabilities.

25 Financial instruments and financial risk management *continued*

A) Categories of financial instruments *continued*

The fair value of the fixed rate bonds included within the "Borrowings" category was \$1,630.5 million at 31 December 2024 compared with their carrying value of \$1,729.0 million (year ended 31 December 2023 – fair value of \$908.3 million compared with their carrying value of \$986.8 million). This fair value was calculated using market rates at the period end. These are level 2 inputs as described below.

The fair value of the fixed rate borrowings included within the "Other loans" category was \$700.5 million at 31 December 2024 compared with their carrying value of \$670.0 million. This fair value was calculated using market rates at the period end. These are level 2 inputs as described below.

The fair value of the fixed rate other financial liabilities balance was \$756.9 million at 31 December 2024 compared with its carrying value of \$594.0 million. This fair value was calculated using market rates at the period end. These are level 2 inputs as described below.

The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

The following tables reconcile between the total trade and other receivables and trade and other payables balances on the balance sheet with the financial instrument amounts included in this note.

	2024 \$m	2023 \$m
Financial assets		
Trade and other receivables (non-current) per balance sheet	54.4	68.5
Trade and other receivables (current) per balance sheet	899.5	1,117.8
Total trade and other receivables per balance sheet	953.9	1,186.3
Less: non-financial assets (including prepayments and VAT receivables)	(155.5)	(112.7)
Total trade and other receivables (financial assets)	798.4	1,073.6
Financial liabilities		
Trade and other payables (current) per balance sheet	(1,320.3)	(1,171.5)
Trade and other payables (non-current) per balance sheet	(10.2)	(9.8)
Total trade and other payables per balance sheet	(1,330.5)	(1,181.3)
Less: non-financial liabilities (including employee benefit and VAT liabilities) ¹	153.1	152.1
Total trade and other payables (financial liabilities)	(1,177.4)	(1,029.2)

1. The comparative 2023 non-financial liabilities amount has been restated from \$27.0 million to \$152.1 million to include relevant employee benefit liabilities.

B) Fair value of financial instruments

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

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2024 \$m
Financial assets				
Equity investments (a)	11.6	–	–	11.6
Trade and other receivables (b)	–	669.1	–	669.1
Cash and cash equivalents (d)	124.3	–	–	124.3
Liquid investments (e)	–	2,127.1	–	2,127.1
	135.9	2,796.2	–	2,932.1
Financial liabilities				
Derivative financial instruments (f)	–	(25.5)	–	(25.5)
	–	(25.5)	–	(25.5)

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2023 \$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

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

- 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.
- 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.
- The other financial asset relates to an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura") (as detailed in Note 18). The fair value of the other financial asset was calculated using observable market data. These are level 2 inputs as described below.
- 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.
- 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.
- Derivatives are valued using a discounted cash flow analysis valuation model, which includes observable credit spreads and using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. These are level 2 inputs as described below. As at 31 December 2024, derivatives relate to foreign exchange option contracts.

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, and
- 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 2024, there were no transfers between levels in the hierarchy.

C) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

The Board of Directors is responsible for overseeing the Group's risk management framework. The Audit and Risk Committee assists the Board with its review of the effectiveness of the risk management process, and monitoring of key risks and mitigations. The Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

I) Commodity price risk

The Group generally sells its copper and molybdenum concentrate and copper cathode output at prevailing market prices, subject to final pricing adjustments which normally range from one to four months after delivery to the customer, and it is therefore exposed to changes in market prices for copper and molybdenum both in respect of future sales and previous sales which remain open as to final pricing. In 2024, sales of copper and molybdenum concentrate and copper cathodes represented 89.1% of revenue and therefore revenues and earnings depend significantly on London Metal Exchange (LME) and realised copper prices.

The Group periodically uses futures and min-max options to manage its exposure to copper prices. These instruments may give rise to accounting volatility due to fluctuations in their fair value prior to the maturity of the instruments. No such options were entered into in the current or comparative year. Details of those copper and molybdenum concentrate sales and copper cathode sales which remain open as to final pricing are given in Note 7.

25 Financial instruments and financial risk management *continued*

C) Financial risk management *continued*

Commodity price sensitivity

The sensitivity analysis below shows the impact of a reasonably possible change in the copper price on the financial instruments held as at the reporting date. A movement in the copper market price as at the reporting date will affect the final pricing adjustment to sales that remain open at that date, impacting the trade receivables balance and consequently the income statement. A movement in the copper market price will also affect the valuation of commodity derivatives, impacting the hedging reserve in equity if the fair value movement relates to an effective designated cash flow hedge, and impacting the income statement if it does not. The calculation assumes that all other variables, such as currency rates, remain constant.

- If the copper market price as at the reporting date had increased by 10 c/lb, profit attributable to the owners of the parent would have increased by \$15.3 million (2023 – increase by \$19.0 million).
- If the copper market price as at the reporting date had decreased by 10 c/lb, profit attributable to the owners of the parent would have decreased by \$15.3 million (2023 – decrease by \$19.0 million).

In addition, a movement in the average copper price during the year would impact revenue and earnings. A 10 c/lb change in the average copper price during the year would have affected profit attributable to the owners of the parent by \$58.0 million (2023 – \$60.6 million) and earnings per share by 5.9 cents (2023 – 6.1 cents), based on production volumes in 2024, without taking into account the effects of provisional pricing. A \$1/lb change in the average molybdenum price for the year would have affected profit attributable to the owners of the parent by \$9.1 million (2023 – \$10.2 million), and earnings per share by 0.9 cents (2023 – 1.0 cents), based on production volumes in 2024, and without taking into account the effects of provisional pricing. A \$100 /oz change in the average gold price for the year would have affected profit attributable to the owners of the parent by \$8.4 million (2023 – \$9.6 million), and earnings per share by 0.8 cents (2023 – 1.0 cents), based on production volumes in 2024, and without taking into account the effects of provisional pricing.

II) Currency risk

The Group is exposed to a variety of currencies. The US dollar, however, is the currency in which the majority of the Group's sales are denominated. Operating costs are influenced by the countries in which the Group's operations are based (principally Chile) as well as those currencies in which the costs of imported goods and services are determined. After the US dollar, the Chilean peso is the most important currency influencing costs and to a lesser extent sales.

Given the significance of the US dollar to the Group's operations, this is the presentational currency of the Group for internal and external reporting. The US dollar is also the currency for borrowing and holding surplus cash, although a portion of this may be held in other currencies, notably Chilean pesos and Sterling, to meet short-term operating and capital commitments and dividend payments.

When considered appropriate, the Group uses forward exchange contracts and currency swaps to limit the effects of movements in exchange rates in foreign-currency-denominated assets and liabilities. The Group may also use these instruments to reduce currency exposure on future transactions and cash flows. Details of any exchange rate derivatives entered into by the Group in the year are given in Note 25(D).

The currency exposure of the Group's cash, cash equivalents and liquid investments is given in Note 22, and the currency exposure of the Group's borrowings is given in Note 23(C). The effects of exchange gains and losses included in the income statement are given in Note 10. Exchange differences on translation of the net assets of entities with a functional currency other than the US dollar are taken to the currency translation reserve and are disclosed in the Consolidated Statement of Changes in Equity.

Currency sensitivity

The sensitivity analysis below shows the impact of a movement in the US dollar/Chilean peso exchange rate on the financial instruments held as at the reporting date.

The impact on profit or loss is as a result of the retranslation of non-US dollar monetary financial instruments (including cash, cash equivalents, liquid investments, trade receivables, trade payables and borrowings). The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges, and changes in the fair value of equity investments. The calculation assumes that all other variables, such as interest rates, remain constant.

At 31 December 2024, the Group had a net liability position in respect of Chilean peso denominated financial assets and liabilities of Ch\$518 billion, equivalent to \$520 million (31 December 2023 – Ch\$536 billion, equivalent to \$610 million). If the US dollar had strengthened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have increased by \$19.8 million (2023 – increase of \$23.8 million). If the US dollar had weakened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have decreased by \$24.2 million (2023 – decrease of \$29.1 million).

III) Interest rate risk

The Group's borrowings reflect a mixture of fixed and floating rate facilities. Fluctuations in interest rates may impact the Group's net finance income or cost, and to a lesser extent the value of financial assets and liabilities. The Group occasionally uses interest rate swaps and collars to manage interest rate exposures on a portion of its existing borrowings.

The interest rate exposure of the Group's borrowings is given in Note 23.

Interest rate sensitivity

The sensitivity analysis below shows the impact of a movement in interest rates in relation to the financial instruments held as at the reporting date. The impact on profit or loss reflects the impact on annual interest expense in respect of the floating rate borrowings held as at the reporting date, and the impact on annual interest income in respect of cash and cash equivalents held as at the reporting date. The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges. The calculation assumes that all other variables, such as currency rates, remain constant.

If the interest rate increased by 1%, based on the net financial assets held as at the reporting date profit attributable to the owners of the parent would have increased by \$12.9 million (2023 – increase of \$5.1 million). This does not include the effect on the income statement of changes in the fair value of the Group's liquid investments relating to the underlying investments in fixed income instruments.

IV) Other price risk

The Group is exposed to equity price risk on its equity investments.

Equity price sensitivity

The sensitivity analysis below shows the impact of a movement in the equity values of the equity investment financial assets held as at the reporting date.

If the value of the equity investments had increased by 10% as at the reporting date, equity would have increased by \$1.2 million (2023 – increase of \$28.9 million). There would have been no impact on the income statement.

V) Cash flow risk

The Group's future cash flows depend on a number of factors, including commodity prices, production and sales levels, operating costs, capital expenditure levels, and financial income and costs. Its cash flows are therefore subject to the exchange, interest rate and commodity price risks described above as well as operating factors and input costs. To reduce the risk of potential short-term disruptions to the supply of key inputs such as electricity and sulphuric acid, the Group enters into medium and long-term supply contracts to help ensure continuity of supply. Long-term electricity supply contracts are in place at each of the Group's mines, in most cases linking the cost of electricity under the contract to the current cost of electricity on the Chilean grid or the generation cost of the supplier. The Group seeks to lock in supply of sulphuric acid for future periods of a year or longer, with contract prices agreed in the latter part of the year, to be applied to purchases of acid in the following year. These contracts meet the own-use criteria and are not recognised on the balance sheet.

VI) Credit risk

Credit risk arises from trade and other receivables, cash, cash equivalents, liquid investments and derivative financial instruments. The Group's credit risk is primarily to trade receivables. The credit risk on cash, cash equivalents and liquid investments and on derivative financial instruments is limited as the counterparties are financial institutions with high credit ratings assigned by international credit agencies.

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. All customers are subject to credit review procedures, including the use of external credit ratings where available. Credit is provided only within set limits, which are regularly reviewed. The main customers are recurrent with a good credit history during the years they have been customers.

Outstanding receivable balances are monitored on an ongoing basis.

The carrying value of financial assets recorded in the financial statements represents the maximum exposure to credit risk. The amounts presented in the balance sheet are net of allowances for any doubtful receivables (Note 21).

As explained above, for sales contracts which contain provisional pricing mechanisms, which reflects the majority of the Group's trade receivable balances, the total receivable balance is measured at fair value through profit or loss, and so potential expected credit loss allowances are not relevant for these balances.

The Group has recognised an expected credit loss provision for its employee receivables, with the main inputs into the provision calculation being the average level of staff turnover and the average level of recovery of receivables from former employees. For the reasons set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

VII) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and financing facilities, through the review of forecast and actual cash flows.

The Group typically holds surplus cash in demand or term deposits or highly liquid investments, which typically can be accessed or liquidated within 24 hours, and also maintains a \$500 million revolving credit facility which can be drawn with three business days' notice.

At the end of 2024, the Group was in a net debt position (2023 – net debt position), as disclosed in Note 32(C). Details of cash, cash equivalents and liquid investments are given in Note 22, while details of borrowings including the maturity profile are given in Note 23(E). Details of undrawn committed borrowing facilities are also given in Note 23.

25 Financial instruments and financial risk management *continued*

C) Financial risk management *continued*

The following table analyses the maturity of the Group's contractual commitments in respect of its financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2024 Total \$m
At 31 December 2024					
Senior loans	(729.1)	(3,572.4)	(380.8)	(337.6)	(5,019.9)
Other loans (including short-term loans and bond)	(84.2)	(1,263.5)	(766.9)	(192.1)	(2,306.7)
Leases	(30.8)	(34.3)	(60.4)	(43.5)	(169.0)
Preference shares ¹	(0.1)	(0.1)	(0.3)	(2.5)	(3.0)
Trade and other payables	(1,167.2)	(10.2)	–	–	(1,177.4)
Derivative financial instruments	(20.4)	(5.1)	–	–	(25.5)
	(2,031.8)	(4,885.6)	(1,208.4)	(575.7)	(8,701.5)
	Less than 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2023 Total \$m
At 31 December 2023					
Senior loans	(704.8)	(705.8)	(1,460.0)	(25.9)	(2,896.5)
Other loans (including short-term loans and bond)	(305.0)	(40.0)	(306.8)	(1,122.2)	(1,774.0)
Leases	(122.0)	(79.0)	(45.6)	(0.9)	(247.5)
Preference shares ¹	(0.1)	(0.1)	(0.3)	(2.6)	(3.1)
Trade and other payables	(1,019.4)	(9.5)	(0.3)	–	(1,092.2)
	(2,151.3)	(834.4)	(1,813.0)	(1,151.6)	(5,950.3)

1. The preference shares pay an annual dividend of £100,000 in perpetuity, and accordingly it is not possible to determine total amounts payable for periods without a fixed end date.

VIII) Capital risk management

The Group's objectives are to return capital to shareholders while leaving the Group with sufficient funds to progress its short, medium and long-term growth plans as well as preserving the financial flexibility to take advantage of opportunities as they may arise. This policy remains unchanged.

The Group monitors capital on the basis of net cash/debt (defined as cash, cash equivalents and liquid investments less borrowings) which was net debt of \$1,629.1 million at 31 December 2024 (2023 – net debt \$1,159.8 million), as well as gross cash (defined as cash, cash equivalents and liquid investments) which was \$4,316.3 million at 31 December 2024 (2023 – \$2,919.4 million). The Group's total cash is held in a combination of interest-bearing accounts, term deposits and managed funds investing in high-quality, fixed income instruments. The managed funds are held primarily for investment purposes rather than meeting short-term cash commitments and accordingly these amounts are presented as liquid investments; however, they are included in net cash for monitoring and decision-making purposes. The Group has a risk-averse investment strategy. The Group's borrowings are detailed in Note 23. Additional project finance or shareholder loans are taken out by the operating subsidiaries to fund projects on a case-by-case basis.

Under the terms of some of the borrowing facilities, the Group is required to comply with the following financial covenants:

1. Net Financial Debt/EBITDA.
2. EBITDA/Interest Expense.
3. Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value).

The Group has complied with these covenants throughout the reporting period.

D) Derivative financial instruments

	Nominal		Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Change in the value of hedging instrument recognised in OCI	Costs of hedging recognised in OCI	Amount removed from cash flow hedge reserve to initial cost of hedged item	Amount removed from cost of hedging reserve to initial cost of hedged item	Line item in balance sheet affected by the removal
	Amount \$m		Assets \$m	Liabilities \$m						
Foreign currency risk										
Foreign exchange option contract	847.0	–		(25.5)	Derivative financial instruments (liabilities)	25.5	–	–	–	Property, plant and equipment

This relates to hedging of Chilean-peso-denominated costs associated with the Nueva Centinela project, which relates to the construction of new property, plant and equipment for a period up to June 2026, with an average put rate of Ch\$850.0/\$1 and an average call rate of Ch\$1,017.4/\$1.

No hedge ineffectiveness was recognised.

Cash flow hedges

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	Hedging reserve 2024 \$m	Hedging reserve 2023 \$m
Balance at 1 January	–	–
Cash flow hedges		
• Foreign currency risk - Derivative financial instruments	25.5	–
Amount included in the cost of non-financial items		
Tax on movements on reserves during the year	(6.9)	–
Balance at 31 December	18.6	–

26 Long-term incentive plan

The long-term incentive plan (the “Plan”) forms part of the remuneration of senior managers in the Group. Directors are not eligible to participate in the Plan.

Details of the awards

Under the Plan, the Group may grant awards based on the price of ordinary shares in the Company and cannot grant awards over actual shares.

- **Restricted Awards:** These awards are conditional rights to receive cash payment by reference to a specified number of the Company’s ordinary shares, subject to the relevant employee remaining employed by the Group when the Restricted Award vests, and
- **Performance Awards:** These awards are conditional rights to receive cash payment by reference to a specified number of the Company’s ordinary shares subject to both the satisfaction of a performance condition and the relevant employee remaining employed by the Group when the Performance Award vests.

When awards vest under the Plan, participants become entitled to receive a cash payment by reference to the number and portion of awards that have vested and the market value of the Company’s ordinary shares on the date of vesting. There is no exercise price payable by participants in respect of the awards.

Restricted Awards can only vest in full if participants remain employed by the Group for three years from the date that Restricted Awards are granted. In ordinary circumstances, the first one-third of a Restricted Award will vest after one year, the second one-third will vest after two years and the remaining one-third will vest after three years. There are no performance criteria attached to Restricted Awards. The fair value of Restricted Awards granted under the Plan is recorded as a compensation expense over the vesting periods, with a corresponding liability recognised for the fair value of the liability at the end of each period until settled.

Performance Awards only vest if certain performance criteria are met. The performance criteria reflect a number of factors including total shareholder return, earnings levels, growth in the Group’s reserves and resources and project delivery targets. The fair value of Performance Awards under the Plan is recorded as a compensation expense over the vesting period, with a corresponding liability at the end of each period until settled.

26 Long-term incentive plan *continued*

Valuation process and accounting for awards

The fair value of the awards is determined using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model are as follows:

	2024	2023
Weighted average forecast share price at vesting date	\$22.6	\$21.6
Expected volatility	37.01%	37.21%
Expected life of awards	3 years	3 years
Expected dividend yields	4.60%	5.32%
Discount rate	1.48%	2.93%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous one year. The expected life of awards used in the model has been adjusted based on management's best estimate for the effects of non-transferability and compliance with the objectives determined according to the characteristics of each plan.

The number of awards outstanding at the end of the year is as follows:

	Restricted Awards Number 2024	Performance Awards Number 2024	Restricted Awards Number 2023	Performance Awards Number 2023
Outstanding at 1 January	459,508	997,018	438,519	1,176,947
Granted during the year	238,893	392,428	291,060	468,967
Cancelled during the year	(36,147)	(55,713)	(25,178)	(49,510)
Payments during the year	(197,647)	(238,993)	(244,893)	(599,386)
Outstanding at 31 December	464,607	1,094,740	459,508	997,018
Number of awards that have vested	188,479	–	171,803	–

The Group has recorded a liability of \$17.9 million at 31 December 2024, of which \$8.9 million is due after more than one year (31 December 2023 – \$13.9 million of which \$7.5 million was due after more than one year) and total expenses of \$15.0 million for the year (2023 – expense of \$12.6 million).

27 Post-employment benefit obligations

A) Defined contribution schemes

The Group operates defined contribution schemes for a limited number of employees. The amount charged to the income statement in 2024 was \$0.1 million (2023 – \$0.1 million), representing the amount paid in the year. There were no outstanding amounts which remain payable at the end of either year.

B) Severance provisions

Employment terms at some of the Group's operations provide for payment of a severance payment when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on the final salary level. The severance payment obligation is treated as an unfunded defined benefit plan, and the obligation recognised is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated. The obligation recognised in the balance sheet represents the present value of the severance payment obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

The most recent valuation was carried out in 2024 by Ernst & Young, a qualified actuary in Santiago, Chile which is not connected with the Group.

The main assumptions used to determine the actuarial present value of benefit obligations were as follows:

	2024 %	2023 %
Average nominal discount rate ¹	5.3%	6.2%
Average rate of increase in salaries	1.7%	1.9%
Average staff turnover	3.2%	3.2%

1. The average nominal discount rate shown in the table above is a weighted average of the discount rates applied to the individual companies, weighted by the number of employees per company. The table below showing the assumptions applied in the calculation of the provision shows the simple average of the discount rates applied to the individual companies, which therefore differs from the weighted average rate shown in the table above.

Amounts included in the income statement in respect of severance provisions are as follows:

	2024 \$m	2023 \$m
Current service cost (charge to operating profit)	(25.4)	(25.7)
Interest cost (charge to other finance items)	(8.1)	(7.2)
Foreign exchange credit to other finance items	16.9	3.6
Total charge to income statement	(16.6)	(29.3)

Movements in the present value of severance provisions were as follows:

	2024 \$m	2023 \$m
Balance at the beginning of the year	(139.9)	(137.3)
Current service cost	(25.4)	(25.7)
Actuarial (losses)/gains	(12.2)	10.7
Unwinding of discount on provisions	(8.1)	(7.2)
Paid in the year	16.3	16.0
Foreign currency exchange difference	17.1	3.6
Balance at the end of the year	(152.2)	(139.9)

The weighted average duration of the severance payment obligation is 9 years.

Description of assumptions used

Discount rate

	31 December 2024	31 December 2023
Nominal discount rate	5.25%	6.52%
Reference rate name	20-year Chilean Central Bank Bonds	20-year Chilean Central Bank Bonds
Governmental or corporate rate	Governmental	Governmental
Reference rating	AA-/AA+	AA-/AA+
Corresponds to an issuance market (primary) or secondary market	Secondary	Secondary
Issuance currency associated to the reference rate	Chilean peso	Chilean peso
Date of determination of the reference interest rate	08 November 2024	31 October 2023
Source of the reference interest rate	Bloomberg	Bloomberg

The discount rate is the interest rate used to discount the estimated future severance payments to their present value. The nominal discount rate shown in the table above is a simple average of the discount rates applied to the individual companies. The table above shows the principal instruments and assumptions utilised in determining the discount rate.

Rate of increase in salaries

This represents the estimated average rates of future salary increases, reflecting likely future promotions and other changes. This has been based on historical information for the Group for the period from 2020 to 2024.

Turnover rate

This represents the estimated average level of future employee turnover. This has been based on historical information for the Group for the period from 2020 to 2024.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and staff turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by \$7.2 million (2023 – decrease by \$6.5 million). If the discount rate is 100 basis points lower, the defined benefit obligation would increase by \$7.7 million (2023 – increase by \$7.1 million).
- If the expected salary growth increases by 1%, the defined benefit obligation would increase by \$7.8 million (2023 – increase by \$7.0 million). If the expected salary growth decreases by 1%, the defined benefit obligation would decrease by \$7.3 million (2023 – decrease by \$6.5 million).
- If the staff turnover increases by 1%, the defined benefit obligation would decrease by \$2.1 million (2023 – decrease by \$2.9million). If the staff turnover decreases by 1%, the defined benefit obligation would increase by \$2.4 million (2023 – increase by \$3.1 million).

28 Deferred tax assets and liabilities

	Accelerated capital allowances \$m	Temporary differences on provisions \$m	Withholding tax \$m	Short-term differences \$m	Mining tax (royalty) \$m	Tax losses \$m	Total \$m
At 1 January 2023	(1,467.1)	129.1	(71.6)	(67.8)	(111.9)	124.5	(1,464.8)
(Charge)/credit to income	(34.4)	14.0	3.2	(1.1)	(2.6)	18.0	(2.9)
Adjustment due to introduction of new royalty	–	–	–	50.8	(85.1)	–	(34.3)
Tax on exceptional items	–	–	–	(41.8)	–	–	(41.8)
Reclassification	95.3	(77.1)	1.8	(30.0)	11.3	(1.3)	–
Charge deferred in equity	–	(2.9)	–	(37.0)	(0.9)	–	(40.8)
At 31 December 2023 and 1 January 2024	(1,406.2)	63.1	(66.6)	(126.9)	(189.2)	141.2	(1,584.6)
(Charge)/credit to income	(95.0)	13.6	41.4	80.7	(15.2)	(58.4)	(32.9)
Adjustment due to introduction of new royalty	–	–	–	(24.6)	91.7	–	67.1
Tax on exceptional items ¹	(114.0)	–	–	(12.7)	–	–	(126.7)
Charge deferred in equity ²	–	2.9	–	(9.4)	0.6	–	(5.9)
At 31 December 2024	(1,615.2)	79.6	(25.2)	(92.9)	(112.1)	82.8	(1,683.0)

1. A deferred tax expense of \$126.7 million has been recognised in respect of the exceptional items, reflecting a fair value gain of \$12.7 million in respect of the agreement the Group entered into during 2024 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. (see Note 4) and \$114.0 million of deferred tax relating to the Antucoya impairment reversal.
2. The \$5.9 million of deferred tax recognised directly in equity relates to \$7.7 million of deferred tax expense in respect of the movements in the fair value of equity investments (see Note 19) and \$1.8 million of deferred tax income in respect of actuarial loss on defined benefit plans.

The charge to the income statement of \$32.7 million (2023 – \$2.9 million) included an impact from foreign exchange differences of \$0.3 million (2023 – \$0.3 million). Additionally, the deferred tax balance includes a gain from a change in criteria for the royalty deferred tax in 2024, totalling \$67.1 million (2023 – \$91.9 million).

Certain deferred tax assets and liabilities have been offset. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, which under Chilean tax regulations is only possible within individual legal entities.

The following is the analysis of the deferred tax balance (after offset):

	2024 \$m	2023 \$m
Net deferred tax assets	9.7	72.0
Net deferred tax liabilities	(1,692.7)	(1,656.6)
Net deferred tax balances	(1,683.0)	(1,584.6)

The \$9.7 million net deferred tax asset balance (2023 – \$72.0 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 2024, the Group had unused tax losses of \$661.4 million in respect of which no deferred tax asset has been recognised, as the relevant entities are currently loss-making; \$141.1 million (2023 – \$24.8 million) of these tax losses relate to Chilean entities where the tax losses can be carried forward indefinitely, and \$520.3 million (2023 – \$496.8 million) relate to entities outside Chile, predominantly in respect of the Twin Metals project. \$267.5 million (2023 – \$267.5 million) of the Twin Metals tax losses expire in the period from 2030 – 2037, and the remainder can be carried forward indefinitely.

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 distributions and it is likely that distributions will not be made in the foreseeable future, was \$7,397.9 million (31 December 2023 – \$7,101.1 million).

At 31 December 2024, the Group has recognised a \$99.2 million deferred tax liability in respect of fair value gains in relation to the Group's interests in Buenaventura, prior to the Group accounting for its interest in Buenaventura as an investment in associate from March 2024 onwards. In March 2025, if the Group maintains its existing interest in Buenaventura, it will qualify for the UK Substantial Shareholding Exemption in respect of its holding in Buenaventura, as it will have held an interest of more than 10% in Buenaventura for a period of 12 months, exempting the Group from UK capital gains tax in respect of its investment. Accordingly, it is expected that in March 2025 the Group will de-recognise its existing deferred tax liability.

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

The deferred tax balance of \$1,683.0 million (2023 – \$1,584.6 million) includes \$1,535.0 million (2023 – \$1,567.2 million) due in more than one year.

The deferred tax assets of \$9.7 million are all due in more than one year (2023 – \$72.0 million).

The deferred tax liabilities of \$1,692.7 million (2023 – \$1,656.6) include \$208.8 million due in less than 1 year and \$1,571.5 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.

29 Decommissioning and restoration provisions

	2024 \$m	2023 \$m
Balance at the beginning of the year	(441.1)	(488.2)
Charge to operating profit in the year	(0.8)	(12.8)
Unwind of discount to net interest in the year	(10.8)	(10.2)
Adjustment to provision discount rates	0.1	1.6
Capitalised adjustment to provision ¹	13.0	31.9
Utilised in year	10.7	36.8
Foreign currency exchange difference	0.9	(0.2)
Balance at the end of the year	(428.0)	(441.1)
Short-term provisions	(5.9)	(15.2)
Long-term provisions	(422.1)	(425.9)
Total	(428.0)	(441.1)

1. Corresponds to the update of financial parameters or update of closure plans.

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 2024, the real discount rates ranged from 2.43% to 2.58% (31 December 2023: 2.29% to 2.41%).

It is estimated that the provision will be utilised from 2025 until 2058 based on current mine plans, with approximately 15% of the total provision balance expected to be utilised between 2025 and 2034, approximately 55% between 2035 and 2044, approximately 30% between 2045 and 2054 and approximately 1% between 2054 and 2058.

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. Within this Annual Report, 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 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.

30 Share capital and other reserves

D Share capital

The ordinary share capital of the Company is as follows:

	2024 Number	2023 Number	2024 \$m	2023 \$m
Authorised				
Ordinary shares of 5p each	1,300,000,000	1,300,000,000	118.9	118.9
	2024 Number	2023 Number	2024 \$m	2023 \$m
Issued and fully paid				
Ordinary shares of 5p each	985,856,695	985,856,695	89.8	89.8

The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

There were no changes in the authorised or issued share capital of the Company in either 2024 or 2023. Details of the Company's preference share capital, which is included within borrowings in accordance with IAS 32 Financial Instruments, are given in Note 23A(xiv).

30 Share capital and other reserves *continued*

II) Other reserves and retained earnings

The share premium account, fair value and translation reserves and retained earnings for both 2024 and 2023 are included within the consolidated statement of changes in equity as follows:

	2024 \$m	2023 \$m
Share premium		
At 1 January and 31 December	199.2	199.2
Hedging reserves¹		
At 1 January	–	–
Change in fair value of hedging instruments ²	(17.9)	–
Tax on the above	4.8	–
At 31 December	(13.1)	–
Equity investment revaluation reserve³		
At 1 January	108.4	8.4
Gains on equity investment	22.0	100.0
Reclassification ⁴	(130.4)	–
At 31 December	–	108.4
Foreign currency translation reserves⁵		
At 1 January	(3.9)	(3.4)
Currency translation adjustment	(1.2)	(0.5)
At 31 December	(5.1)	(3.9)
Total other reserves per balance sheet	(18.2)	104.5
Retained earnings		
At 1 January	8,558.4	8,333.5
Parent and subsidiaries' profit for the period	753.2	848.6
Equity-accounted units' (loss)/profit after tax for the period	76.2	(13.5)
Actuarial gains/(losses) ⁶	(9.4)	3.0
Reclassification ⁴	130.4	–
Total comprehensive income for the year	950.4	838.1
Dividends paid	(317.4)	(613.2)
At 31 December	9,191.4	8,558.4

1. Hedging reserves comprise cash flow hedge reserve of \$13.1m and cost of hedging of nil. See Note 25(D) for further information.

2. Change in fair value of hedging instruments is net of the non-controlling interest impacts of \$7.6 million.

3. The equity investments revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 19.

4. Corresponds to the reclassification of the fair value gain relating to the Buenaventura shares from the Equity investment revaluation reserve to Retained earnings, as explained in Note 19.

5. Exchange differences arising on the translation of the Group's net investment in foreign-controlled companies are taken to the foreign currency translation reserve. The cumulative differences relating to an investment are transferred to the income statement when the investment is disposed of.

6. Actuarial gains or losses relating to long-term employee benefits of the Group and associates and joint ventures are as described in Note 26, and these figures are net of the non-controlling interest impacts.

31 Non-controlling interests

The non-controlling interests of the Group during 2024 and 2023 were as follows:

	Non-controlling interest %	Country	1 January 2024 \$m	At for the financial year \$m	Share of profit/(loss) for the financial year \$m	Capital increase \$m	Share of dividends \$m	Hedging and actuarial gains \$m	At 31 December 2024 \$m
Minera Los Pelambres SCM	40.0	Chile	1,429.6	329.1	–	(240.0)	(0.9)		1,517.8
Minera Centinela SCM	30.0	Chile	1,448.3	52.1	156.7	–	(7.0)		1,650.1
Minera Antucoya SCM	30.0	Chile	224.9	108.0	–	–	–		332.9
Sociedad Contractual Minera El Encierro	42.8	Chile	(6.3)	(2.6)	0.1	–	–		(8.8)
Total			3,096.5	486.6	156.8	(240.0)	(7.9)		3,492.0

	Non-controlling interest %	Country	1 January 2023 \$m	At for the financial year \$m	Share of profit/(loss) for the financial year \$m	Share of dividends \$m	Hedging and actuarial losses \$m	At 31 December 2023 \$m
Minera Los Pelambres SCM	40.0	Chile	1,443.0	373.4	(388.0)	1.2		1,429.6
Minera Centinela SCM	30.0	Chile	1,356.8	89.5	–	2.0		1,448.3
Minera Antucoya SCM	30.0	Chile	219.3	5.5	–	0.1		224.9
Sociedad Contractual Minera El Encierro	42.8	Chile	(2.2)	(4.1)	–	–		(6.3)
Total			3,016.9	464.3	(388.0)	3.3		3,096.5

The proportion of the voting rights is proportional to the economic interest for each of the companies listed above.

For material entities with non-controlling interests, the summarised financial position and cash flow information for the years ended 31 December 2024 and 31 December 2023 is set out below:

	Los Pelambres 2024 \$m	Centinela 2024 \$m	Antucoya 2024 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	497.4	825.2	149.3
Current assets ¹	1,472.3	2,111.9	533.4
Non-current assets	6,414.0	6,033.8	1,747.8
Current liabilities	(1,541.5)	(935.1)	(160.2)
Non-current liabilities	(2,535.3)	(1,942.0)	(431.6)
Net cash from operating activities	1,418.9	771.3	286.4
Net cash used in investing activities	(792.0)	(1,374.0)	(112.3)
Net cash (used in)/from financing activities	(332.5)	1,238.2	41.6

1. The current assets include cash and cash equivalents.

	Los Pelambres 2023 \$m	Centinela 2023 \$m	Antucoya 2023 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	222.2	156.5	52.0
Current assets ¹	1,320.8	1,256.7	340.2
Non-current assets	6,093.2	5,276.8	1,392.8
Current liabilities	(970.8)	(926.8)	(160.1)
Non-current liabilities	(2,858.4)	(930.3)	(375.1)
Net cash from operating activities	1,206.8	1,069.1	209.7
Net cash used in investing activities	(862.4)	(1,031.6)	(117.0)
Net cash (used in)/from financing activities	(409.0)	124.1	(67.8)

1. The current assets include cash and cash equivalents.

A) Notes to the summarised financial position and cash flow

- The amounts disclosed for each subsidiary are based on the amounts included in the consolidated financial statements (100% of the results and balances of the subsidiary rather than the non-controlling interest proportionate share) before intercompany eliminations.
- Summarised income statement information is shown in the segment information in Note 6.
- There are some subsidiaries, including Encierro, with a non-controlling interest portion not included in this note where those portions are not material to the Group.

32 Notes to the consolidated cash flow statement

A) Reconciliation of profit before tax to cash flow from operations

	2024 \$m	2023 \$m
Profit before tax	2,071.1	1,965.5
Depreciation	1,568.2	1,211.3
Net loss on disposals	5.6	–
Net finance expense/(income) – excluding exceptional items	64.8	(29.1)
Net share of loss/(profit) of associates and joint ventures	(76.2)	13.5
Exceptional items (see Note 4)	(422.4)	(167.1)
Increase in inventories	(166.5)	(31.6)
Decrease/(Increase) in debtors	243.1	(57.9)
(Decrease)/Increase in creditors	(10.7)	137.0
Decrease in provisions	(0.8)	(14.5)
Cash flow generated from operations	3,276.2	3,027.1

B) Analysis of changes in net debt

	At 1 January 2024 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Fair value gains \$m	Exchange \$m	At 31 December 2024 \$m
Cash and cash equivalents	644.7	1,550.1	–	–	–	–	–	(5.6)	2,189.2
Liquid investments	2,274.7	(148.5)	–	–	–	–	0.9	–	2,127.1
Total cash and cash equivalents and liquid investments	2,919.4	1,401.6	–	–	–	–	0.9	(5.6)	4,316.3
Borrowings due within one year	(794.1)	154.0	–	–	–	(579.8)	–	–	(1,219.9)
Borrowings due after one year	(3,057.9)	(1,459.9)	–	(13.5)	(17.9)	579.8	–	–	(3,969.4)
Other financial liabilities due within one year	–	4.6	–	–	–	(10.7)	–	–	(6.1)
Other financial liabilities due after one year	–	(598.6)	–	–	–	10.7	–	–	(587.9)
Leases due within one year	(107.8)	152.7	–	–	–	(141.4)	–	–	(96.5)
Leases due after one year	(116.9)	–	(111.1)	–	–	141.4	–	23.4	(63.2)
Preference shares	(2.5)	–	–	–	–	–	–	0.1	(2.4)
Total borrowings and other liabilities from financing activities	(4,079.2)	(1,747.2)	(111.1)	(13.5)	(17.9)	–	–	23.5	(5,945.4)
Net (debt)	(1,159.8)	(345.6)	(111.1)	(13.5)	(17.9)	–	0.9	17.9	(1,629.1)

	At 1 January 2023 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Other \$m	Exchange \$m	At 31 December 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 cash and cash equivalents and liquid investments	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 and other liabilities from financing activities	(3,277.0)	(599.3)	(178.6)	(12.7)	(16.0)	–	–	4.4	(4,079.2)
Net debt	(885.8)	(87.1)	(178.6)	(12.7)	(16.0)	–	19.7	0.7	(1,159.8)

C) Net debt

	2024 \$m	2023 \$m
Cash, cash equivalents and liquid investments	4,316.3	2,919.4
Total borrowings and other financial liabilities	(5,945.4)	(4,079.2)
Net debt	(1,629.1)	(1,159.8)

33 Exchange rates

Assets and liabilities denominated in foreign currencies are translated into US dollars and Sterling at the period-end rates of exchange.

Results denominated in foreign currencies have been translated into US dollars at the average rate for each period.

	2024	2023
Year-end rates	\$1.254 = £1; \$1 = Ch\$996.5	\$1.275 = £1; \$1 = Ch\$877.12
Average rates	\$1.277 = £1; \$1 = Ch\$944.1	\$1.244 = £1; \$1 = Ch\$839.2

34 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 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, and in which members of the Luksic family are interested. Two Directors of the Company, Jean-Paul Luksic and Andronico Luksic C, and a member of the Group's Executive Committee, Andronico Luksic L, 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 made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of \$318.4 million (2023 – \$337.8 million). The balance due to ENEX SA at the end of the year was \$17.9 million (2023 – \$13.3 million)
- The Group earned interest income of \$1.0 million (2023 – \$0.9 million) during the year on investments with BanChile Administradora General de Fondos SA, a subsidiary of Quiñenco. Investment balances at the end of the year were \$30.5 million (2023 – nil)
- The Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of \$13.2 million (2023 – \$9.0 million). The balance due to Hapag Lloyd at the end of the year was nil (2023 – nil)

34 Related party transactions *continued*

- The Group made purchases of technology services from ARTIKOS CHILE SA, a subsidiary of Quiñenco, of \$0.3 million (2023 – \$0.2 million). The balance due to ARTIKOS CHILE SA at the end of the year was nil (2023 – nil).

B) Compañía de Inversiones Adriático SA

In 2024, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family are interested, at a cost of \$0.6 million (2023 – \$0.8 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 (“Mineralinvest”), a company in which members of the Luksic family are interested, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. During the year ended 31 December 2024, the Group incurred \$0.1 million (year ended 31 December 2023 – \$0.1 million) of exploration expense at these properties. As detailed in Note 37, subsequent to the year-end, in January 2025 the Group entered into an agreement with Mineralinvest to acquire its 49% interest in Antomin Investors.

D) Compañía Minera Zaldívar SpA

The Group has a 50% interest in Zaldívar (see Note 18), 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 \$2.2 million (2023 – \$6.7 million). During 2024, Zaldívar declared dividends of nil to the Group (2023 – nil).

E) Compañía de Minas Buenaventura S.A.A

The Group has a 18.94% interest in Compañía de Minas Buenaventura S.A.A, which is an associate. During the year ended 31 December 2024, the Group has received dividends from Buenaventura of \$3.5 million.

F) Directors and other key management personnel

Information relating to Directors’ remuneration and interests is included in the Remuneration Report, which does not form part of these financial statements. Information relating to the remuneration of key management personnel including the Directors is given in Note 9.

35 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 judgements may at times occur. The Group may incur, in the future, judgement or enter into settlements of claims that could lead to material cash outflows. The Group does not expect a material loss 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 11.

36 Ultimate Parent Company

The immediate parent company of the Group is Metalinvest Establishment and the ultimate parent company is the E. Abaroa Foundation, in which members of the Luksic family are interested. Both Metalinvest Establishment and the E. Abaroa Foundation are domiciled in Liechtenstein. Information relating to the interests of Metalinvest Establishment and the E. Abaroa Foundation is given in the Directors’ Report.

37 Post-balance-sheet events

A) Antomin Investors Limited

As detailed in Note 34, the Group holds a 51% interest in Antomin Investors, which owns a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest, a company in which members of the Luksic family are interested, which continues to hold the remaining 49% of Antomin Investors. In January 2025, the Group entered into an agreement with Mineralinvest to acquire its 49% interest in Antomin Investors’ copper exploration properties in the Centinela District for \$80 million. Properties currently held by Antomin Investors that are outside the Centinela District will be demerged into a new entity, held 51% by the Group and 49% by Mineralinvest. The acquisition of Antomin Investors is expected to complete later in 2025, following that demerger. This transaction further consolidates the Group’s mining property interests in the Centinela District, providing flexibility for future growth options. This transaction was overseen and approved by a committee of independent Directors who sought and received confirmation from a financial adviser, a major international investment bank with extensive experience in advising UK issuers on such matters, that the terms of the transaction were fair and reasonable as far as the shareholders of the companies were concerned.

B) Los Pelambres financing

In March 2025, Los Pelambres completed a \$2 billion financing associated with its water assets. Through a structured financing solution, Los Pelambres, via a wholly owned subsidiary, has secured a \$2 billion facility, which comprises an initial tranche of \$1,550 million with a private placement bond with a 20-year term in addition to a second tranche with a group of commercial banks, amounting to the remaining \$450 million with a term of approximately 9 years.

Parent Company balance sheet

As at 31 December 2024

	Note	2024 \$m	2023 \$m
Non-current assets			
Investment in subsidiaries	5	1,304.0	938.3
Other receivables	5	55.3	53.6
Property, plant and equipment		3.2	3.8
		1,362.5	995.7
Current assets			
Other receivables	5	195.4	311.7
Liquid investments	6	964.9	773.3
Cash and cash equivalents	6	423.0	61.0
		1,583.3	1,146.0
Total assets		2,945.8	2,141.7
Current liabilities			
Amounts payable to subsidiaries	7	(345.0)	(345.2)
Other payables		(19.6)	(10.4)
		(364.6)	(355.6)
Non-current liabilities			
Medium and long-term borrowings	8	(1,735.6)	(992.5)
		(1,735.6)	(992.5)
Total liabilities		(2,098.8)	(1,348.1)
Net assets		845.6	793.6
Equity			
Share capital		89.8	89.8
Share premium		199.2	199.2
Retained earnings			
At 1 January		504.6	182.1
Profit for the year attributable to the owners		369.4	935.7
Dividends		(317.4)	(613.2)
At 31 December		556.6	504.6
Total equity		845.6	793.6

The financial statements were approved by the Board of Directors on 20 March 2025 and signed on its behalf by

JEAN-PAUL LUKSIC
Chairman

FRANCISCA CASTRO
Senior Independent Director

Parent Company statement of changes in equity

	Share capital \$m	Share premium \$m	Retained earnings \$m	Total equity \$m
At 1 January 2023	89.8	199.2	182.1	471.1
Comprehensive income for the year	–	–	935.7	935.7
Dividends	–	–	(613.2)	(613.2)
At 31 December 2023	89.8	199.2	504.6	793.6
Comprehensive income for the year	–	–	369.4	369.4
Dividends	–	–	(317.4)	(317.4)
At 31 December 2024	89.8	199.2	556.6	845.6

The ordinary shares rank after the preference shares in entitlement to dividends and on a winding-up. Each ordinary share carries one vote at any general meeting.

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ.

1 Basis of preparation of the Parent Company financial statements

The Antofagasta plc Parent Company financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements. The financial information has been prepared on a historical cost basis. The financial statements have been prepared on a going concern basis. The functional currency of the Company and the presentation currency adopted is US dollars.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant, and equipment'
 - (iii) paragraph 118(e) of IAS 38, Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group. All of the Parent Company's intercompany transactions and balances are with wholly-owned subsidiaries of the Group.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The profit after tax for the year of the Parent Company amounted to \$370.8 million (2023 – \$935.7 million).

2 Principal accounting policies of the Parent Company

A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently.

A) Currency translation

The Company's functional currency is the US dollar. Transactions in currencies other than the functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities, including amounts due from or to subsidiaries, denominated in currencies other than the functional currency (being US dollars) are retranslated at year-end exchange rates. Gains and losses on retranslation are included in net profit or loss for the year.

B) Income recognition

Dividends proposed by subsidiaries are recognised as income by the Company when they represent a present obligation of the subsidiaries in the period in which they are formally approved for payment.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

C) Dividends payable

Dividends proposed are recognised when they represent a present obligation in the period in which they are formally approved for payment. Accordingly, an interim dividend is recognised when paid and a final dividend is recognised when approved by shareholders.

D) Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments relating to equity holdings in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable; the recoverable amount of the investment is the higher of fair value less costs of disposal and value in use. Investments relating to long-term amounts owed by subsidiaries are reviewed to assess if a material expected credit loss provision is required in respect of these balances.

E) Liquid investments and cash and cash equivalents

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high-quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

F) Borrowings

Interest-bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

G) Borrowings – preference shares

The Sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified as borrowings and translated into US dollars at year-end rates of exchange. Preference share dividends are included within finance costs.

H) Equity instruments – ordinary share capital and share premium

Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its Sterling-denominated issued ordinary share capital and related share premium.

The presentational and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

I) Financing facilities

On 30 December 2022, Antofagasta plc agreed a revolving credit facility (RCF) of US\$500 million which had a term of three years, expiring on 30 December 2025.

Subsequent to 31 December 2024, the RCF was extended for a further three years, and now expires on 30 December 2028 (see Note 23(F)).

J) Guarantees

Antofagasta plc has provided a guarantee in respect of 70% of Centinela's \$2.5 billion project financing, in respect of the Second Concentrator Project, in line with the Group's 70% ownership interest in Centinela. The guarantee applies during the project construction period, and will be lifted following successful completion of the relevant completion tests following the completion of construction. The expected credit loss risk for the Company in respect of this guarantee is considered to be immaterial.

3 Significant accounting estimates and judgements

We do not consider there to be critical accounting judgements or key sources of estimation uncertainty which could have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year. We have set out below the most significant judgements and estimates applied in the preparation of the Company's balance sheet.

The most significant accounting judgement is whether there are impairment indicators in respect of the carrying value of the Company's investments in subsidiaries, which have a total carrying value as at 31 December 2024 of \$1,304.0 million.

The most significant accounting estimate is whether a credit loss provision is required in respect of any of the Company's receivable balances. Over 99% of the receivable balances relate to intercompany balances, primarily with Group holding companies which hold the Group's investments in the operating companies. There is not considered to be any significant risk of a material overstatement of these carrying values. In assessing this, the Group has considered the overall market capitalisation of the Group, which was \$20.1 billion at 31 December 2024, the cash and other assets held by the relevant Group companies and the level of earnings generated by the Group's operations.

4 Employee benefit expense

I) Average number of employees

The average monthly number of employees was 5 (2023 – 4), engaged in management and administrative activities.

II) Aggregate remuneration

The aggregate remuneration of the employees mentioned above was as follows:

	2024 \$m	2023 \$m
Wages and salaries	1.8	2.7
Social security costs	0.2	0.3
Other pension costs	0.1	0.1
	2.1	3.1

The above employee figures exclude Directors who receive Directors' fees from Antofagasta plc. Details of fees payable to Directors are set out in the Remuneration Report.

5 Subsidiaries

I) Investment in subsidiaries

	2024 \$m	2023 \$m
Shares in subsidiaries at cost ¹	835.5	469.8
Amounts owed by subsidiaries due after more than one year	468.5	468.5
	1,304.0	938.3

	Shares \$m	Loans \$m	Total \$m
1 January 2024	469.8	468.5	938.3
31 December 2024	835.5	468.5	1,304.0

1. The \$349.2 million increase in the shares in subsidiaries balance reflects the acquisition by the Company of additional shares issued by the Company's direct subsidiary Andean LFMA Limited during 2023.

The above amount of \$468.5 million (31 December 2023 – \$468.5 million) in respect of amounts owed by subsidiaries due after more than one year relates to long-term funding balances for which the Company does not expect to demand repayment in the foreseeable future and which form an integral part of the Company's long-term investment in those subsidiary companies.

The Company has reviewed whether there are any indicators of impairment in respect of the equity investment balance and concluded that there are no such indicators. The expected credit loss risk for the element of the investment balance relating to amounts owed by subsidiaries due after more than one year is considered to be immaterial to the Company.

5 Subsidiaries *continued*

II) Trade and other receivables – non-current amounts owed by subsidiaries

At 31 December 2024, an amount of \$55.3 million (31 December 2023 – \$53.6 million) was owed to the Company by subsidiaries. This amount is not expected to be realised within 12 months after the reporting period. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

III) Trade and other receivables – current amounts owed by subsidiaries

At 31 December 2024, amounts owed by subsidiaries due within one year were \$192.3 million (31 December 2023 – \$310.0 million). These balances principally relate to \$191.7 million of intercompany dividends declared but not yet paid to the Company by its immediate subsidiary companies. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

6 Cash and cash equivalents, and liquid investments

The fair value of cash and cash equivalents, and liquid investments is not materially different from the carrying values presented. The credit risk on cash and cash equivalents is considered to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cash and cash equivalents, and liquid investments comprised:

	2024 \$m	2023 \$m
Cash and cash equivalents	423.0	61.0
• Cash	–	–
• Term deposits	292.0	–
• Bank (on-demand deposits)	131.0	61.0
Liquid investments	964.9	773.3
	1,387.9	834.3

At 31 December 2024 and 2023 there is no cash which is subject to restriction.

The credit quality of cash, cash equivalents and liquid investments are as follows:

	2024 \$m	2023 \$m
AAA	801.6	652.9
AA	20.0	–
AA-	53.8	68.7
A+	209.2	27.9
A	303.3	84.8
Subtotal	1,385.7	831.1

There have been no impairments recognised in respect of cash or cash equivalents in the year ended 31 December 2024 (year ended 31 December 2023: nil).

7 Amounts payable to subsidiaries

At 31 December 2024, amounts payable to subsidiaries due within one year were \$345.0 million (31 December 2023 – \$345.2 million).

8 Borrowings – preference shares

The authorised, issued and fully paid preference share capital of the Company comprised 2,000,000 5% cumulative preference shares of £1 each at both 31 December 2024 and 31 December 2023. As explained in Note 23(C), the preference shares are recorded in the balance sheet in US dollars at period-end rates of exchange.

The preference shares are non-redeemable and are entitled to a fixed 5% cumulative dividend, payable in equal instalments in June and December of each year. On a winding-up, the preference shares 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 (see Note 23(A) (xiv)) at any general meeting.

Independent auditors' report to the members of Antofagasta plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Antofagasta plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2023 (the "Annual Report"), which comprise: the consolidated and Parent Company balance sheets as at 31 December 2023; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8 to the Group financial statements, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We identified two components (2022: two) as individually financially significant components, which required an audit of their complete financial information due to their financial significance to the Group, and a further three components (2022: three) where we concluded that a full scope audit of the component financial information was warranted.
- Taken together, the components at which audit work was performed accounted for 97% of Group revenue.
- We also determined that specified procedures were necessary in respect of certain balances within the corporate segment and transport division to ensure that we had sufficient coverage from our audit work over each line of the Group's financial statements.

Key audit matters

- Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldivar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent Company)

Materiality

- Overall Group materiality: \$117 million (2022: \$112 million) based on 5% of the three year average of profit before tax adjusted for one-off items.
- Overall Parent Company materiality: \$21 million (2022: \$20 million) based on 1% of total assets.
- Performance materiality: \$87.75 million (2022: \$84 million) (Group) and \$15.75 million (2022: \$15 million) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The accounting for the disposal of the Group's interest in the Reko Diq project (Group), which was a key audit matter last year, is no longer included as a key audit matter because of the fact that the gain on disposal was fully recognised within the 2022 financial year, and the Group has subsequently, in 2023, received a private ruling from the Australian Tax Office to confirm that the disposal proceeds would not be subject to Australian tax. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldívar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent Company)</i> In accordance with IAS 36 'Impairment of assets', the Directors are required to perform an impairment assessment of long-lived assets at any time an indicator of impairment exists. The Directors considered various external and internal factors, as set out in IAS 36, in assessing whether an indicator of impairment, or in respect of Antucoya, impairment reversal, existed as at 31 December 2023 in respect of the operating mine cash-generating units ('CGUs'), such as short- and long-term forecast copper prices, the operational performance of these mines and indicative estimates of movements in value during the year based on the latest Life of Mine plans. This assessment included consideration of the impact of climate risks, including scenario analysis, as detailed in note 5 to the Group financial statements. The Directors concluded that no indicators of impairment or impairment reversal existed as at 31 December 2023 in respect of these CGUs and, therefore, no detailed impairment tests were performed. This assessment required judgement on the part of the Directors in determining whether an impairment indicator existed and was an area which had a significant effect on our overall audit strategy and allocation of resources in the planning for, and completion of, our audit. It was, therefore, determined to be a key audit matter. The financial statements set out the key elements of the judgements made by the Directors, which include at Zaldívar that the ongoing renewal of mining and water permits, currently due to expire in 2025, will be successful, and that production issues experienced in the year are short-term in nature. Refer to notes 3 and 5 to the Group financial statements and the Audit and Risk Committee's views set out on page 146. As at 31 December 2023, the Parent Company holds investments in subsidiaries amounting to \$938.3 million (2022: \$589.1 million), comprising shares and long-term funding balances that the Directors do not intend to demand repayment of in the foreseeable future. Judgement is required to assess whether impairment indicators exist in relation to the shares held in subsidiaries and, where indicators are identified, to determine whether the recoverable amount is no lower than the investment carrying value. Judgement is also required in determining whether an expected credit loss should be recorded against the long-term funding balances. In assessing for impairment indicators, management considered whether the underlying net assets of the investment support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be an indicator of impairment. For the loan balances, management considered whether the relevant subsidiary could repay the loans if they were demanded at the balance sheet date. Based on management's assessment, no impairment indicators in respect of the carrying value of investments in subsidiaries were identified by the Directors at the balance sheet date, and no expected credit loss on the long-term funding balances was recognised. Refer to notes 3 and 5 to the Parent Company's financial statements.	We, supported by our component team, assessed the Directors' conclusion that there were no indicators of impairment or impairment reversal as at 31 December 2023 in respect of the operating mine CGUs. In performing this assessment, the following procedures were performed by the Group team, or, where appropriate, by our component team in Chile with oversight from the Group audit team in the UK. Our procedures included evaluating management's impairment indicator assessments, including its completeness by reference to both internal and external factors, including but not limited to operational performance in the year, macroeconomic factors including forecast copper prices, foreign currency exchange rates and market interest rates, climate change, and expected future production profiles and capital expenditure as included in the latest Life of Mine plan for each operation. In the case of Zaldívar, we also assessed the latest developments in respect of the permit applications. As well as considering whether any qualitative indicators of impairment existed, we evaluated management's quantitative impairment indicator assessments, and the process by which the indicative valuations were determined, including verifying the mathematical accuracy of the cash flow models and agreeing future capital and operating expenditure to the latest Board approved budgets and the latest approved Life of Mine plans. We assessed the reasonableness of the expected capital and operating expenses in light of their historical levels and recent operational performance, and considered the competence and objectivity of management's internal technical experts who prepared the Life of Mine plans. We evaluated the appropriateness of key market related assumptions in the indicative valuation models, including the copper prices, discount rates and foreign currency exchange rates, with the support of our valuation experts. We also performed sensitivity analysis around the key assumptions within the cash flow forecasts, using both lower long-term copper prices and a stronger Chilean peso. In addition, we considered management's impairment indicator assessments in the context of the Task Force on Climate-related Financial Disclosures ("TCFD") scenario analyses prepared by management during the year. In light of the above, we assessed the appropriateness of the related disclosures in note 5 to the Group financial statements, including the sensitivities provided. Overall, we identified no material issues in our work. In respect of investments in subsidiaries in the Parent Company, we evaluated and challenged management's assessment and judgements in relation to the identification of impairment indicators; independently performed an assessment of other potential internal and external impairment indicators, including considering the market capitalisation of the Group with reference to the carrying value in the Parent Company of investments in subsidiaries; and evaluated the ability of the subsidiaries to repay the loan balances. Based on the procedures performed, we noted no material issues arising from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The core mining business comprises four mining operations: Los Pelambres; Centinela; Antucoya; and Zaldívar, a joint venture with Barrick Gold Corporation operated by the Group. These mines produce copper cathodes, copper concentrates and significant volumes of by-products.

In addition to mining, the Group has a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including to the Group's own mining operations.

All of the above operations are located in Chile. In addition, the Group has corporate head offices located in both Santiago, Chile (Antofagasta Minerals S.A.) and London, UK (Antofagasta plc). The Group also has exploration projects in various countries.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at each of the four mine sites and the corporate offices in Chile, by us, as the Group engagement team and by component auditors from PwC Chile operating under our instruction. Los Pelambres and Centinela were considered to be financially significant components of the Group, due to their contribution towards Group profit before tax, and so required audits of their complete financial information. Antucoya and Zaldívar, as well as the Parent Company Antofagasta plc, were also subject to an audit of their complete financial information. We also requested that component auditors perform specified procedures over the corporate offices in Chile, and specific line items of other entities within the Group (including the transport division) to ensure that we had sufficient coverage from our audit work over each line of the Group's financial statements. The Group engagement team also performed testing of the Group's equity investment in Compañía de Minas Buenaventura S.A.A. and the related other financial asset, and the associated other comprehensive income and profit that has been recognised. For all other components, the Group team performed analytical review procedures.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Our oversight procedures included the issuance of formal, written instructions to the component auditors setting out the work to

be performed, regular communication throughout the audit cycle including frequent meetings, the review of certain component auditor workpapers and participation in certain audit clearance meetings. In most cases, communication was performed through video conferencing. However, members of the Group team, including the senior statutory auditor, also visited Chile on multiple occasions during the audit.

Taken together, the components where we performed our audit work accounted for 97% of consolidated revenue, 89% of consolidated profit before tax and 88% of consolidated profit before tax adjusted for one-off items. This was before considering the contribution to our audit evidence from performing audit work at the Group level, including disaggregated analytical review procedures, which covers a significant portion of the Group's smaller and lower risk components that were not directly included in our Group audit scope.

The Parent Company financial statements are prepared in the corporate head office in Santiago, with oversight from the Group Financial Controller based in London, and are ultimately reviewed and approved by the Directors alongside the Group financial statements. The Parent Company financial statements were audited by the Group engagement team.

The impact of climate risk on our audit

In planning our work, including identifying areas of audit risk and determining an appropriate audit response, we were mindful of the increased focus on the impact of climate change risk on companies and their financial reporting, and also that the Group has identified climate change as a principal risk. As part of our audit, we made enquiries of management to understand its processes to assess the extent of the potential impact of climate change risks on the Group and its financial statements. This included consideration of the Group's Climate Change Strategy and newly published targets to reduce Scope 1 and 2 emissions by 50% by 2035 relative to the 2020 baseline, to reduce Scope 3 emissions by 10% by 2030, and, in the long-term, to achieve carbon neutrality.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	\$117 million (2022: \$112 million).	\$21 million (2022: \$20 million).
How we determined it	5% of the three year average of profit before tax adjusted for one-off items	1% of total assets
Rationale for benchmark applied	For overall Group materiality, we chose to use an underlying earnings measure as the benchmark because an underlying measure removes the impact of material items that do not recur from year-to-year or otherwise significantly affect the underlying trend of performance from continuing operations. The adoption of a multi-year average benchmark for materiality responds to longer term trends in commodity markets and reduces volatility in the measure year-on-year. Using our professional judgement, we determined materiality for this year at \$117 million, which equates to approximately 6.5% of the current year's profit before tax adjusted for one-off items.	For the Parent Company materiality, we determined our materiality based on total assets, which is considered more relevant than a performance-related measure as the company is an investment holding company for the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between \$10 million and \$94 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to \$87.75 million (2022: \$84 million) for the Group financial statements and \$15.75 million (2022: \$15 million) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above \$5.8 million (Group audit) (2022: \$5.6 million) and \$1.05 million (Parent Company audit) (2022: \$1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecasts and downside scenarios, checking that the forecasts had been subject to board review and, in the case of the base case, approval;
- Considering the historical reliability of management forecasting by comparing budgeted results with actual performance;
- Assessing the future cash flows included in the base case to ensure that these were consistent with our understanding from work performed over other key accounting estimates in the financial statements such as the impairment indicator assessment;
- Confirming that the downside scenarios applied by management represent severe but plausible downside scenarios in the context of our understanding of the business, and performing our own sensitivity analysis to understand the impact of changes in cash flows and net debt on the resources available to the Group; and
- Reading management's papers to the Audit and Risk Committee in respect of going concern, and agreeing the forecasts set out in these papers to the underlying base case cash flow model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' and CEO's Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

UK Corporate Governance Code compliance statement (the "corporate governance statement")

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental regulations and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax law in the jurisdictions in which the Group operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Inquiries with management, including the Group's Vice President of Legal and the Head of Internal Audit, regarding their consideration of known or suspected instances of non-compliance with laws and regulation;
- Obtaining legal letters from the Group's external legal advisers in respect of litigation and claims and other such matters, where considered necessary;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with certain unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Directors' and CEO's Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 20 May 2015 to audit the financial statements for the year ended 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 31 December 2015 to 31 December 2023.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

SIMON MORLEY (SENIOR STATUTORY AUDITOR)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 March 2024

Consolidated income statement

For the year ended 31 December 2023

	Note(s)	Excluding exceptional items 2023 \$m	Exceptional Items 2023 \$m	2023 \$m	Excluding exceptional items 2022 \$m	Exceptional Items 2022 \$m	2022 \$m
Group revenue	6, 7	6,324.5	–	6,324.5	5,862.0	–	5,862.0
Total operating costs		(4,541.7)	–	(4,541.7)	(4,227.7)	–	(4,227.7)
Operating profit from subsidiaries	8	1,782.8	–	1,782.8	1,634.3	–	1,634.3
Net share of results from associates and joint ventures	18	(13.5)	–	(13.5)	48.1	–	48.1
Gain on disposal of investment in joint venture	17	–	–	–	–	944.7	944.7
Operating profit from subsidiaries and share of total results from associates and joint ventures	8	1,769.3	–	1,769.3	1,682.4	944.7	2,627.1
Investment income	10	138.1	–	138.1	40.2	–	40.2
Interest expense	10	(105.6)	–	(105.6)	(78.6)	–	(78.6)
Other finance items	4,10	(3.4)	167.1	163.7	(29.8)	–	(29.8)
Net finance income/(expense)	10	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	11	(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	32	464.3	–	464.3	422.3	–	422.3
Owners of the parent	12	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	12	72.0	12.7	84.7	59.7	95.8	155.5

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 \$m	2022 \$m
Profit for the year		1,299.4	1,955.3
<i>Items that may be or were subsequently reclassified to profit or loss:</i>			
Currency translation adjustment		(0.5)	(0.4)
Total items that may be or were subsequently reclassified to profit or loss		(0.5)	(0.4)
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Actuarial gains /(losses) on defined benefit plans	28	10.7	(18.1)
Gains in fair value of equity investments	19	137.0	15.8
Tax on items recognised directly in equity that will not be reclassified	29	(40.8)	5.7
Share of other comprehensive losses of associates and joint ventures, net of tax	18	(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	32	467.6	418.1
Owners of the parent		937.6	1,540.2
		2023 \$m	2022 \$m
Total comprehensive income for the year – continuing operations		1,405.2	1,958.3

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Share capital \$m	Share premium \$m	Other reserves (Note 31) \$m	Retained earnings (Note 31) \$m	Equity attributable to owners of the parent \$m	Non-controlling interests (Note 32) \$m	Total equity \$m
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 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)
At 31 December 2022	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)
At 31 December 2023	89.8	199.2	104.5	8,558.4	8,951.9	3,096.5	12,048.4

Consolidated balance sheet

At as 31 December 2023

	Note	2023 \$m	2022 \$m
Non-current assets			
Property, plant and equipment	15	12,678.7	11,543.5
Other non-current assets		–	1.1
Inventories	20	457.0	347.0
Investment in associates and joint ventures	18	891.1	904.6
Trade and other receivables	21	68.5	51.0
Equity investments	19	288.6	90.5
Deferred tax assets	29	72.0	78.5
		14,455.9	13,016.2
Current assets			
Inventories	20	671.0	708.1
Trade and other receivables	21	1,117.8	2,087.2
Other financial asset	22	457.2	–
Current tax assets		25.9	35.6
Liquid investments	23	2,274.7	1,580.8
Cash and cash equivalents	23	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	24	(901.9)	(432.5)
Trade and other payables	25	(1,171.5)	(1,079.7)
Short-term decommissioning and restoration provisions	30	(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	24	(3,177.3)	(2,844.5)
Trade and other payables	25	(9.8)	(8.0)
Post-employment benefit obligations	28	(139.9)	(137.3)
Decommissioning and restoration provisions	30	(425.9)	(455.0)
Deferred tax liabilities	29	(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	31	89.8	89.8
Share premium	31	199.2	199.2
Other reserves	31	104.5	5.0
Retained earnings	31	8,558.4	8,333.5
Equity attributable to owners of the parent		8,951.9	8,627.5
Non-controlling interests	32	3,096.5	3,016.9
Total equity		12,048.4	11,644.4

The financial statements on pages 190 to 234 were approved by the Board of Directors on 20 March 2024 and signed on its behalf by

Jean-Paul Luksic
Chairman

Francisca Castro
Senior Independent Director

Consolidated cash flow statement

For the year ended 31 December 2023

	Note(s)	2023 \$m	2022 \$m
Cash flow from continuing operations	33	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	18	(0.6)	–
Dividends from associates and joint ventures	18	–	50.0
Investment in other financial assets	22	(290.1)	–
Acquisition of equity investments	19	(60.7)	(66.5)
Proceeds from disposal of investment in joint venture	17	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	23	(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 owners of the parent	13	(613.2)	(1,262.9)
Dividends paid to preference shareholders of the Company	13	(0.1)	(0.1)
Dividends paid to non-controlling interests	32	(388.0)	(80.0)
Proceeds from issue of new borrowings	33	1,062.2	865.9
Repayments of borrowings	33	(381.7)	(751.3)
Principal elements of lease payments	33	(81.2)	(105.4)
Net cash used in financing activities		(402.0)	(1,333.8)
Net (decrease) /increase in cash and cash equivalents		(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	33	(162.0)	65.6
Effect of foreign exchange rate changes	33	(3.7)	1.4
Cash and cash equivalents at end of the year	23,33	644.7	810.4

Notes to the financial statements

1 Basis of preparation

The consolidated financial statements of the Antofagasta plc Group have been 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 financial statements have been prepared on the going concern basis.

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 Strategic Report, and in particular within the Operating Review. 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 statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 23, and details of borrowings are set out in Note 24.

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:

- o A significant deterioration in the future copper price forecasts, by an average of approximately 15% throughout the going concern period.
- o 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.
- o The potential impact of the Group's most significant individual operational risks.
- o A shut-down 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 down-side 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 statements.

Company structure

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ. The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

The nature of the Group's operations is mining and exploration activities and the transport of rail and road cargo.

A) Adoption of new accounting standards

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

- o IFRS 17, Insurance Contracts
- o Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- o Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- o Definition of Accounting Estimates – Amendments to IAS 8
- o 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.

B) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, 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.

The following standards are effective after 1 January 2024:

- o Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- o Lease Liability in a Sale and Leaseback (Amendments to IFRS16)
- o Non-current Liabilities with Covenants (Amendments to IAS 1)
- o Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The following standards are effective after 1 January 2025 (and subject to UK endorsement):

- o Lack of Exchangeability (Amendments to IAS 21)

2 Material accounting policies

A) Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the use of fair values to measure certain financial instruments, principally provisionally priced sales as explained in Note 2(F) and financial derivative contracts as explained in Note 2(V).

B) Basis of consolidation

The financial statements comprise the consolidated financial statements of Antofagasta plc ("the Company" or "the Parent" or "the Parent Company") and its subsidiaries (collectively "the Group").

Subsidiaries – A subsidiary is an entity over which the Group has control, which is the case when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. For partly-owned subsidiaries, the net assets and profit attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated balance sheet and consolidated income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

C) Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the power to participate in the financial and operating policy decisions of that entity. The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

This requires recording the investment initially at cost to the Group and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associate's results less any impairment and any other changes to the associate's net assets such as dividends. When the Group loses control of a former subsidiary but retains an investment in associate in that entity, the initial carrying value of the investment in associate is recorded at its fair value at that point. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

D) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are accounted for depending on the nature of the arrangement.

- (i) Joint ventures – are accounted for using the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures as described in Note 18.
- (ii) Joint operations – are accounted for recognising directly the assets, obligations, revenues and expenses of the joint operator in the joint arrangement. The assets, liabilities, revenues and expenses are accounted for in accordance with the relevant IFRS.

When a Group entity transacts with its joint arrangements, profits and losses resulting from the transactions with the joint arrangements are recognised in the Group's consolidated financial statements only to the extent of interests in the joint arrangements that are not related to the Group.

E) Currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at year end exchange rates. Gains and losses on retranslation are included in net profit or loss for the period within other finance items.

The presentational currency of the Group and the functional currency of the Company is the US dollar. On consolidation, income statement items for entities with a functional currency other than the US dollar are translated into US dollars at average rates of exchange. Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities are taken to equity and recorded in a separate currency translation reserve. Cumulative translation differences arising after the transition date to IFRS are recognised as income or as expenses in the income statement in the period in which an operation is disposed of.

On consolidation, exchange gains and losses which arise on balances between Group entities are taken to reserves where that balance is, in substance, part of the net investment in a foreign operation, i.e. where settlement is neither planned nor likely to occur in the foreseeable future. All other exchange gains and losses on Group balances are recognised in the income statement within other finance items.

Fair value adjustments and any goodwill arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the period-end rate.

F) Revenue recognition and other income

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable, and excludes any applicable sales tax.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For the Group's mining products, the customer generally gains control over the material when it has been loaded at the port of loading, and so this is the point of revenue recognition. 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. In these cases, the customer still gains control over the material when it has been loaded at the port of loading, and so that remains the point of revenue recognition for the sale of material; however, the shipping service represents a separate performance obligation, and revenue in relation to such services is recognised separately from the sale of the material over time as the shipping service is provided, along with the associated costs. Shipping revenue is recognised at the contracted price of the shipping service to the Group as this reflects the standalone selling price.

Revenue from mining activities is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date, as explained below. For copper and molybdenum concentrates, 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. Revenue includes amounts from the sale of by-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average London Metal Exchange ("LME") copper price or the monthly average market molybdenum price for specified future periods. This normally ranges from one to four months after delivery to the customer. For sales contracts which contain provisional pricing mechanisms, the initial invoice typically reflects the month-average market price for the metal in the month of shipment, with the associated receivable balance subsequently measured at fair value through profit or loss. Gains and losses from the marking-to-market of the receivable balance in relation to open sales are recognised through adjustments to other income presented within revenue in the income statement and to trade receivables in the balance sheet. The fair value calculations are based on forward prices at the period end for copper concentrate and cathode sales, and period-end average prices for molybdenum concentrate sales due to the absence of a futures market for this product.

For the Transport division, revenue in respect of its transportation and ancillary services are recognised over time in line with the performance of those services.

2 Material accounting policies *continued*

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest received is recognised within investing activities in the consolidated cash flow statement.

Dividend income

Dividend income from equity investments, associates and joint ventures is recognised when the shareholders' right to receive payment has been established. For associates and joint ventures, it is recorded as a decrease of the investment.

G) Exploration and evaluation expenditure

Exploration and evaluation costs, other than those incurred in acquiring exploration licences, are expensed in the year in which they are incurred. When a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved) all further directly attributable pre-production expenditure is capitalised. Capitalisation of pre-production expenditure ceases when commercial levels of production are achieved.

Costs incurred in acquiring exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

H) Stripping costs

Pre-stripping and operating stripping costs are incurred in the course of the development and operation of open-pit mining operations.

Pre-stripping costs relate to the removal of waste material as part of the initial development of an open-pit, in order to allow access to the ore body. The capitalised costs are depreciated once production commences on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves for that pit at the beginning of the year.

Operating stripping costs relate to the costs of extracting waste material as part of the ongoing mining process. The ongoing mining and development of the Group's open-pit mines is generally performed via a succession of individual phases. The costs of extracting material from an open-pit mine are generally allocated between ore and waste stripping in proportion to the tonnes of material extracted. The waste stripping costs are generally absorbed into inventory and expensed as that inventory is processed and sold. Where the stripping costs relate to a significant stripping campaign which is expected to provide improved access to an identifiable component of the ore body (typically an individual phase within the overall mine plan), the costs of removing waste in order to improve access to that part of the ore body will be capitalised within property, plant and equipment. The capitalised costs will then be amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates.

I) Intangible assets

Exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences, the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

J) Property, plant and equipment

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment in the year in which they are incurred, when a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved). The cost of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Once a project has been established as commercially viable, related development expenditure is capitalised. This includes costs incurred in preparing the site for mining operations, including pre-stripping costs. Capitalisation ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Interest on borrowings related to the construction or development of projects is capitalised as part of the cost of the asset. To the extent that borrowings have been put in place specifically to fund the construction of the asset, the capitalised amount will reflect the actual interest costs incurred on that borrowing. If the construction is funded out of general borrowings, the capitalised interest expense will be calculated based on the entity's weighted average interest rate, applied to the expenditure on the asset (with the capitalised interest amount not exceeding the entity's total borrowing cost for the period). The interest costs are capitalised, until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production.

K) Depreciation of property, plant and equipment

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Property, plant and equipment is depreciated over its useful life, or over the remaining life of the operation if shorter, to residual value. The major categories of property, plant and equipment are depreciated as follows:

- (i) Land – freehold land is not depreciated unless the value of the land is considered to relate directly to a particular mining operation, in which case the land is depreciated on a straight-line basis over the expected mine life.
- (ii) Mining properties – mining properties, including capitalised financing costs, are depreciated on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.
- (iii) Buildings and infrastructure – straight-line basis over 10 to 25 years.
- (iv) Railway track (including trackside equipment) – straight-line basis over 20 to 25 years.
- (v) Wagons and rolling stock – straight-line basis over 10 to 20 years.
- (vi) Machinery, equipment and other assets – are depreciated on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis over 5 to 20 years.
- (vii) Assets under construction – no depreciation until asset is available for use.
- (viii) Lease right-of-use assets – depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
- (ix) Stripping cost – capitalised costs are amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates (Note 15).

Residual values and useful lives are reviewed, and adjusted if appropriate, at least annually, and changes to residual values and useful lives are accounted for prospectively.

L) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets relating to exploration and mining licences are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. In respect of historical impairments recognised in prior years, the Group also assesses whether there is any indication that impairment may no longer exist or may have decreased.

If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment or reversal (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. The estimates used in determining the present value of those cash flows are those that an independent market participant would consider appropriate. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation, as realisation of the full potential of the Group's mining operations typically requires further capital expenditure and ongoing mine development, and accordingly the Group typically applies this valuation estimate in its impairment assessments, unless indicated otherwise. Details of the valuations and sensitivities of the Group's mining operations considered as part of the impairment trigger assessment are included in Note 5.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment charge is recognised in the income statement immediately. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognised after taking into account the depreciation and/or amortisation that would otherwise have been recorded in the intervening period. A reversal is recognised in the income statement immediately.

M) Inventory

Inventory consists of raw materials and consumables, work-in-progress and finished goods. Work-in-progress represents material that is in the process of being converted into finished goods. The conversion process for mining operations depends on the nature of the copper ore. For sulphide ores, processing typically includes milling and concentrating, resulting in the production of copper concentrate. For oxide ores, processing includes leaching of stockpiles, solvent extraction and electrowinning and results in the production of copper cathodes. Finished goods consist of copper concentrate containing gold and silver at Los Pelambres and Centinela and copper cathodes at Centinela and Antucoya. Los Pelambres and Centinela also produce molybdenum as a by-product.

Inventory is valued at the lower of cost, on a weighted average basis, and net realisable value. Net realisable value represents estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost of finished goods and work-in-progress is production cost and for raw materials and consumables it is purchase price. Production cost includes:

- o labour costs, raw material costs and other costs directly attributable to the extraction and processing of ore,
- o depreciation of plant, equipment and mining properties directly involved in the production process, and
- o an appropriate allocation of production overheads.

Stockpiles represent ore that is extracted and is available for further processing. Costs directly attributable to the extraction of ore are generally allocated as part of production costs in proportion to the tonnes of material extracted. Operating stripping costs are generally absorbed into inventory, and therefore expensed as that inventory is processed and sold. If ore is not expected to be processed within 12 months of the balance sheet date it is included within non-current assets. If there is significant uncertainty as to when any stockpiled ore will be processed, it is expensed as incurred.

N) Taxation

Tax expense comprises the charges or credits for the year relating to both current and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the income statement because it excludes items of income or expense that are taxable and deductible in different years and also excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates for each entity in the consolidated financial statements which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (i.e. differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the

balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows:

- (i) tax payable on undistributed earnings of subsidiaries, associates and joint ventures is provided except where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future,
- (ii) deferred tax is not provided on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting or taxable profit and does not give rise to equal taxable and deductible temporary differences, and
- (iii) the initial recognition of any goodwill.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

O) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

P) Provisions for decommissioning and restoration costs

Obligations to incur decommissioning and restoration costs can arise as a result of the development or ongoing operation of a mining property. Costs are estimated on the basis of a formal closure plan and are subject to regular formal review.

Decommissioning obligations arising from the construction of property, plant and equipment (including installation of plant and site preparation work) are provided for at their net present value as the construction of the asset gives rise to the obligation, and included within the property, plant and equipment cost. These decommissioning costs are charged against profit or loss over the life of the mine, through depreciation of the property, plant and equipment balance (recorded within operating expenses). The unwinding of the discount on the provision is recorded within other finance items. Changes in the measurement of a decommissioning provision are added to, or deducted from, the property, plant and equipment balance in the current year.

Restoration obligations, arising from ongoing operating activities, are provided for at their net present values and charged against operating expenses as the obligation arises. Changes in the measurement of a restoration provision which, relate to a change in the estimate of the closure costs or a change in the discount rate, are charged against operating expenses, and changes relating to foreign exchange are recorded within other finance items.

Q) Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. The Group currently does not have any equity settled share-based payments to employees or third parties.

R) Post-employment benefits

The Group operates defined contribution schemes for a limited number of employees. For such schemes, the amount charged to the income statement is the contributions paid or payable in the year.

2 Material accounting policies *continued*

Employment terms may also provide for payment of a severance indemnity when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated.

The obligation recognised in the balance sheet represents the present value of the severance indemnity obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

S) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

T) Liquid investments

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. These assets are designated as fair value through profit or loss, with the fair value movements recorded within investment income.

U) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- o fixed payments (including in-substance fixed payments), less any lease incentives receivable
- o variable lease payments that are based on an index or a rate
- o amounts expected to be payable by the lessee under residual value guarantees
- o the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- o payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- o the amount of the initial measurement of the lease liability
- o any lease payments made at or before the commencement date less any lease incentives received
- o any initial direct costs, and
- o restoration costs.

V) Other financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred the asset to another party. Financial liabilities are removed from the Group's balance sheet when they are extinguished – i.e. when the obligation specified in the contract has been discharged, cancelled or expired.

- (i) Investments – Equity investments which are not subsidiaries, associates or joint ventures are recognised at fair value. The Group generally applies an irrevocable election for each equity investment to designate them as Fair Value through Other Comprehensive Income (FVOCI). Dividends from equity investments are recognised in the income statement when the right to receive payment is established.
- (ii) Trade and other receivables – As explained above, for sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. Other receivable balances are recognised at amortised cost.
- (iii) Trade and other payables – Trade and other payables are generally not interest-bearing and are normally stated at their nominal value.
- (iv) Other financial assets – Other financial assets are measured at fair value through profit or loss.
- (v) Borrowings (loans and preference shares) – Interest-bearing loans and bank overdrafts are initially recorded at fair value which is typically equal to the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method. Amounts are either recorded as financing costs in profit or loss or capitalised in accordance with the accounting policy set out in Note 2(J). Finance charges are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The total amount of interest paid, both in respect of interest recognised as an expense in profit or loss or capitalised in accordance with IAS 23 Borrowing Costs, is recognised within operating activities in the consolidated cash flow statement.

The Sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified within borrowings and translated into US dollars at period-end rates of exchange. Preference share dividends are included within other finance items within net finance expense in the income statement.
- (vi) Equity instruments – Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its Sterling-denominated issued ordinary share capital and related share premium. As explained in Note 2(E), the presentational currency of the Group and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.
- (vii) Impairment of financial assets – The Group applies the forward-looking expected credit loss model to its financial assets, other than those measured at fair value through profit or loss. The Group applies the IFRS 9 "simplified approach" to its trade receivables, measuring the loss allowance at the lifetime expected credit loss. For other financial assets, where the credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12 month expected credit loss. If there has been a significant increase in credit risk, the loss allowance is measured at the lifetime expected credit loss. Increases or decreases to the credit loss allowance are recognised immediately in profit or loss.

W) 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 tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period.

X) Rounding

All amounts disclosed in the financial statements and notes have been rounded to the nearest million dollars unless otherwise stated.

These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting judgements and key sources of estimation uncertainty

Determining many of the amounts included in the financial statements involves the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is included in the principal accounting policies in Note 2 or the other notes to the financial statements, and the key areas are set out below.

A) Judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Non-financial assets impairment

As explained in Note 2(L), the Group reviews the carrying value of its intangible assets and property, plant and equipment, as well as the assets of its joint ventures, to determine whether there is any indication that those assets are impaired. In performing assessments for impairment triggers, assets that do not generate largely independent cash inflows are allocated to an appropriate cash generating unit ("CGU"). Details of the valuations and sensitivities of the Group's, and its joint venture Zaldívar's, mining operations considered as part of the impairment trigger assessment are included in Note 5, including quantitative sensitivity analyses. Details of the value of assets and liabilities for each of the mining operations are set out in Note 6.

When an impairment trigger is identified, an impairment test is performed, wherein the recoverable amount of those assets, or the CGU, is measured at the higher of their fair value less costs of disposal and value in use.

When an impairment test is performed, management necessarily applies its judgement and estimation in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the fair value less costs of disposal calculation. The key assumptions are set out in Note 5. Subsequent changes to CGU allocation, licensing status, reserves and resources, price assumptions or other estimates and assumptions in the fair value less costs of disposal calculation could impact the carrying value of the respective assets.

As explained in Note 5, based on an assessment of both qualitative and quantitative factors, there were no indicators of potential impairment, or reversal of previous impairments, for the Group's and its joint ventures' non-current assets associated with its mining operations at the 2023 year-end, and accordingly no impairment tests have been performed. However, whether or not an impairment indicator exists is a critical judgement, in particular as at 31 December 2023 for Zaldívar (given the ongoing permitting process and the other factors set out in Note 5).

B) Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Deferred tax liabilities in respect of undistributed earnings of subsidiaries

No deferred tax liability is recognised in respect of the undistributed earnings of subsidiaries where it is not likely that those profits will be distributed in the foreseeable future. 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 and cash generation, as well as the current level of distributable reserves at the Antofagasta plc entity level. As set out in Note 29, 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, as at 31 December 2023 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.

In addition to the above estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next 12 months, we have also set out the following additional estimates and assumptions which have a significant impact on the financial statements, but which are not considered to be key sources of estimation uncertainty as defined in IAS 1.

(ii) Inventory valuation

The valuation of work in progress inventories involves a number of estimates, including the average ore grade, volume and density of ore stockpiles, and the recoveries in respect of material on the leach piles. Evaluating the net realisable value of the inventories also requires an estimate of the likely future copper price for the periods when it is expected that the inventories will be completed and sold. As set out in Note 20, the value of work in progress inventories at 31 December 2023 was \$832.4 million (31 December 2022 – \$751.9 million).

If the copper spot price at 31 December 2023 (used for forecasting the likely sales price of short-term inventories) had been 10% lower, this would have resulted in a net realisable value provision and charge to the Income Statement of approximately \$45 million.

The valuation of leachpile inventories can be particularly complex, given the required estimates including in respect of the total recoveries and the speed of recovery in relation to the material on the piles. This is particularly the case for leachpiles with a long leaching cycle, where material may remain on the pile for several years before it has been fully leached. The operation with the most significant long-term leachpile inventory is Zaldívar, with a long-term leachpile with a value of approximately \$120 million (on a 50% attributable basis) at 31 December 2023 (2022 – \$130 million). This balance is forecast to be consumed over the operation's remaining 13 year mine life (2022 – 14 year) and its recoverability is based on the same assumptions about future operational considerations as detailed in Note 5. As a simple high-level sensitivity, if this balance were reduced by 10% (due to changes in recovery estimates for example), this would result in a reduction in Zaldívar's inventory balance of approximately \$12 million (on a 50% attributable basis) (2022 – \$13 million).

3 Critical accounting judgements and key sources of estimation uncertainty *continued*

(ii) *Useful economic lives of property, plant and equipment and ore reserves estimates*

As explained in Note 2(K), mining properties, including capitalised financing costs, are depreciated in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.

There are numerous uncertainties inherent in estimating ore reserves, and assumptions that were valid at the time of estimation may change when new information becomes available. These include assumptions as to grade estimates and cut-off grades, recovery rates, commodity prices, exchange rates, production costs, capital costs, processing and reclamation costs and discount rates. The actual volume of ore extracted and any changes in these assumptions could affect prospective depreciation rates and carrying values.

Other items of property, plant and equipment are depreciated over their useful economic lives, on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis. Management reviews the appropriateness of useful economic lives at least annually and, again, any changes could affect prospective depreciation rates and asset carrying values.

The operation with the most significant depreciation expense is Centinela, with a depreciation expense of \$727 million in 2023 (2022 – \$710 million), representing approximately 61% of the total Group depreciation charge. As a simple high-level sensitivity, a 10% adjustment to the useful economic lives of Centinela's property, plant and equipment would result in an impact of approximately \$73 million (2022 – \$71 million) on the annual depreciation charge.

(iii) *Provisions for decommissioning and site restoration costs*

As explained in Note 2(P), provision is made, based on net present values, for decommissioning and site rehabilitation costs as soon as the obligation arises following the development or ongoing production of a mining property. The provision is based on a closure plan prepared with the assistance of external consultants.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and site rehabilitation is uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites.

The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Details of the decommissioning and restoration provisions are set out in Note 30. The total value of these provisions as at 31 December 2023 was \$441.1 million (2022 – \$488.2 million). As a simple high-level sensitivity, a 10% increase in the forecast closure costs would increase the provision balance by approximately \$44 million (2022 – \$49 million), the decommissioning costs asset capitalised in the year within property, plant and equipment by approximately \$3 million (2022 – \$17 million) and the ongoing annual operating expenses by approximately \$1 million (2022 – \$2 million).

(iv) *Deferred tax assets in respect of tax losses*

As explained in Note 2(N), deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

Generally under Chilean tax law, most tax losses can be carried forward indefinitely, and so the expiry of tax losses is not typically an issue. The key assumptions to which the forecasts of the probable level of future taxable profits are most sensitive are future commodity prices, production levels and operating costs.

As set out in Note 29, the Group has recognised \$72.0 million of net deferred tax assets as at 31 December 2023 (2022 – \$78.5 million), relating to tax losses, provisions and short-term timing differences. The deferred tax position includes \$141.2 million (2022 – \$124.5 million) of deferred tax assets in respect of tax losses available for offset against future profits. These losses may be carried forward indefinitely.

4 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.

Compañía de Minas Buenaventura S.A.A.

As detailed in Notes 22 and 26, during 2023 the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía 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 11), 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 17.

5 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 as adjusted for certain assumptions (including potential future development opportunities) ('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 Zaldivar 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 consensus analyst forecasts. 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 million (2022 – potential deficit of \$400 million) and the Zaldivar valuation indicated a potential deficit of \$60 million (on a 50% basis) (2022 – potential deficit of \$170 million). 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 disclosures 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 Zaldivar, 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 the model used as part of the impairment indicator assessment is sensitive, to certain assumptions in particular the following:

- o 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.
- o Currently, Zaldivar 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. 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 Zaldivar 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 Zaldivar 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.
- o Zaldivar'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, Zaldivar reached an agreement with Escondida with 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 Zaldivar as at 31 December 2023 was \$881.3 million (2022 – \$897.3 million).

6 Segment information

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

- o Los Pelambres
- o Centinela
- o Antucoya
- o Zaldivar
- o Exploration and evaluation
- o Corporate and other items
- o 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 containing gold and silver as a by-product, and molybdenum concentrate. Centinela produces copper concentrate containing gold and silver as a by-product, molybdenum concentrates and copper cathodes. Antucoya and Zaldivar produce copper cathodes. The Transport division provides rail cargo 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 the Antofagasta plc, Antofagasta Minerals SA, 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.

6 Segment information *continued*

A) Segment revenues and results

For the year ended 31 December 2023

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and evaluation ² \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	2,923.8	2,532.5	672.3	–	–	–	6,128.6	195.9	6,324.5
Operating cost excluding depreciation and loss on disposals	(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/(losses) 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
EBITDA¹	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
Investment 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 (Refer to the Alternative Performance Measures section on page 239).

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 the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Notes 4 and 22.

For the year ended 31 December 2022

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and evaluation ² \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	2,558.9	2,406.2	703.5	–	–	–	5,668.6	193.4	5,862.0
Operating cost excluding depreciation and loss on disposals	(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 ventures 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/(losses) attributable to the owners of the parent	507.3	217.0	75.4	47.3	(113.0)	770.6	1,504.6	28.4	1,533.0
EBITDA¹	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
Investment 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 (Refer to the Alternative Performance Measures section on page 239).

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, 4 and 17).

Notes to segment revenues and results

- Inter-segment revenues are eliminated on consolidation. The only inter-segment revenue related to sales from the Transport division to the mining division of \$10.3 million (year ended 31 December 2022 – \$9.8 million), has been eliminated and is therefore not reflected in the above figures.
- Revenue includes provisionally priced sales of copper, gold and molybdenum concentrates and copper cathodes. Further details of such adjustments are given in Note 7.
- For 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. Treatment and refining charges for copper and molybdenum concentrates are detailed in Note 7.
- The effects of tax and non-controlling interests on the expenses within the Exploration and evaluation segment are allocated to the mine that the exploration work relates to.
- The assets of the Transport division segment include \$9.8 million (31 December 2022 – \$7.3 million) relating to the Group's 30% interest in Antofagasta Terminal International SA ("ATI"), which operates a concession to manage installations in the port of Antofagasta. Further details of these investments are set out in Note 16.

6 Segment information *continued***B) Entity-wide disclosures****Revenue by product**

	2023 \$m	2022 \$m
Copper		
– Los Pelambres	2,381.1	2,107.7
– Centinela concentrate	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 concentrate	35.3	58.5
– Centinela cathodes	6.0	6.7
– Antucoya	6.2	6.0
Gold		
– Los Pelambres	83.5	75.4
– Centinela concentrate	323.4	238.4
Molybdenum		
– Los Pelambres	373.2	291.4
– Centinela concentrate	131.0	100.8
Silver		
– Los Pelambres	35.7	32.5
– Centinela concentrate	34.4	24.7
Total	6,128.6	5,668.6
Transport division	195.9	193.4
	6,324.5	5,862.0

Revenue by location of customer

	2023 \$m	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		
– 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 assets

	2023 \$m	2022 \$m
Chile	14,017.3	12,786.1
Other	9.5	10.1
	14,026.8	12,796.2
	2023 \$m	2022 \$m
Non-current assets per the balance sheet	14,455.9	13,016.2
The above amounts by location reflect non-current assets per the balance sheet excluding:		
– Deferred tax assets	(72.0)	(78.5)
– Account receivables	(68.5)	(51.0)
– Equity investments	(288.6)	(90.5)
Total of non-current assets above	(429.1)	(220.0)
Non-current assets by location of asset	14,026.8	12,796.2

7 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 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. 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:

	2023 \$m	2022 \$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. 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.

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 6.

The following tables set out the impact of provisional pricing adjustments, 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 6.

7 Group revenue *continued*
For the year ended 31 December 2023

	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 \$m
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	–	–	–	–	–	–	–	–
Revenues before deducting treatment and 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 6 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

	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 \$m
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	–	–	–	–	–	–	–	–
Revenues before deducting treatment and 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 6 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.

7 Group revenue *continued***(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.

		2023	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.

		2023	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 occurs is approximately one month from shipment date.

		2023	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 occurs is approximately two months from shipment date.

		2023	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 debtors 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	
	2023 \$m	2022 \$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

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

Operating profit from subsidiaries, and share of total results from associates and joint ventures is derived from Group revenue by deducting operating costs as follows:

	2023 \$m	2022 \$m
Group 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 ventures	–	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 30), and \$128.0 million of other expenses (2022 – \$126.5 million, restated from the previously reported figure of \$125.0 million in order to ensure consistency within this note).

Profit before tax is stated after (charging)/crediting:

	2023 \$m	2022 Restated \$m
Foreign exchange losses		
– included in net finance expense	(12.5)	(12.8)
Depreciation of property, plant and equipment		
– owned assets	(1,127.7)	(1,047.2)
– leased assets	(83.6)	(93.9)
Loss on disposal of property, plant and equipment	–	(2.1)
Cost of inventories recognised as an expense	(2,457.8)	(2,381.6)
Employee benefit expense	(619.9)	(476.6)
Decommissioning and restoration (operating expenses) ¹	(12.8)	(15.4)
Severance charges	(25.7)	(19.1)
Exploration and evaluation expense	(141.1)	(113.0)
Auditors' remuneration	(2.4)	(2.2)

1. The comparative figure of \$15.4 million has been restated from the previously reported figure of \$16.9 million in order to ensure consistency with the reconciliation reflected in Note 30.

A more detailed analysis of auditors' remuneration on a worldwide basis is provided below:

Group	2023 \$000	2022 \$000
Fees payable to the Company's auditors and their associates for the audit of the Parent Company and consolidated financial statements	1,685.0	1,312.5
Fees payable to the Company's auditors and their associates for other services:		
– The audit of the Company's subsidiaries	598.0	549.6
– Audit-related assurance services ¹	109.0	98.0
– Other assurance services ²	–	241.0
	2,392.0	2,201.1

1. The audit-related assurance services relate to the half-year review performed by the auditors.

2. The other assurance services in 2022 related to the bond issue in that year, which required the Group to engage PwC to act as the reporting accountant for that transaction, work which is in effect required to be performed by the Group's auditors.

Details of the Company's policy on the use of auditors for non-audit services, the reason why the auditors were used rather than another supplier and how the auditors' independence and objectivity was safeguarded are set out in the Audit and Risk Committee report on page 147. No services were provided pursuant to contingent fee arrangements.

9 Employees**A) Average monthly number of employees**

	2023 Number	2022 Restated Number
Los Pelambres	1,154	1,069
Centinela	2,503	2,408
Antucoya	914	852
Exploration and evaluation	58	60
Corporate and other employees		
– Chile	591	582
– United Kingdom	4	4
– Other ¹	4	4
Mining and Corporate	5,228	4,979
Transport division	1,402	1,383
	6,630	6,362

1. The comparative figure of four employees has been restated from the previously reported figure of one employee in order to ensure the presentation of comparable figures.

The average number of employees for the year includes all the employees of subsidiaries. The average number of employees does not include contractors who are not directly employed by the Group.

The average number of employees does not include employees of associates and joint ventures.

B) Aggregate remuneration

The aggregate remuneration of the employees included in the table above was as follows:

	2023 \$m	2022 \$m
Wages and salaries	(589.4)	(448.5)
Social security costs	(30.5)	(28.1)
	(619.9)	(476.6)

C) Key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Directors (Executive and Non-Executive) of the Company. Key management personnel who are not Directors have been identified as senior management at the Corporate Centre and those responsible for the running of the key business divisions of the Group, specifically the Executive Committee and the General Managers of the Group's subsidiary operations.

Compensation for key management personnel (including Directors) was as follows:

	2023 \$m	2022 \$m
Salaries and short-term employee benefits	(27.1)	(25.0)
	(27.1)	(25.0)

Disclosures on Directors' remuneration required by Schedule 8 of the Large and Medium-sized Companies and Group (Financial Statement) Regulations 2008, including those specified for audit by that Schedule, are included in the Remuneration Report on pages 166 to 173.

10 Net finance income/(expense)

	2023 \$m	2022 \$m
Investment income		
Interest income	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 gains	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: \$104.2 million at Los Pelambres (year ended 31 December 2022 – \$47.0 million) and \$7.9 million at Centinela (year ended 31 December 2022 – \$2.0 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 \$9.7 million (2022 – \$6.0 million).

An exceptional fair value gain of \$167.1 million has been recognised in respect of an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A., as detailed in Notes 4 and 22.

11 Income tax expense

The tax charge for the year comprised the following:

	2023 \$m	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 charge		
– Corporate tax (principally first category tax in Chile)	(3.7)	(96.5)
– Mining tax (royalty)	(2.7)	(9.8)
– Adjustment to deferred tax due to introduction of new royalty	(34.3)	–
– Exceptional items	(41.8)	–
– Withholding tax	3.2	(48.5)
	(79.3)	(154.8)
Total tax charge	(666.1)	(603.6)

The rate of first category (i.e. 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 (i.e. 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 has taken 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.

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 have 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% on 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 recognised 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.

11 Income tax expense *continued*

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 31 December 2023 Excluding exceptional items		Year ended 31 December 2023 Including exceptional items		Year ended 31 December 2022 Excluding exceptional items		Year ended 31 December 2022 Including exceptional items	
	\$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 tax (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	–
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	(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 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 (loss)/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 effective tax rate (including exceptional items) of 33.9% varied from the statutory rate due to the factors outlined above, and also the \$3.3 million impact of the difference in the overseas tax rate which applied to the exceptional item.

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 as explained in Note 3B.

12 Earnings per share

	2023 \$m	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
	2023 Number	2022 Number
Ordinary shares in issue throughout each year	985,856,695	985,856,695
	2023 cents	2022 cents
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:

		2023	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	\$m	835.1	1,533.0
Ordinary shares	Number	985,856,695	985,856,695
Basic earnings per share from continuing operations	cents	84.7	155.5

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2023 \$m	2022 \$m	2023 cents per share	2022 cents per share
Final dividend paid in June (proposed in relation to the previous year)				
– Ordinary	497.9	1,172.2	50.5	118.9
Interim dividend paid in September				
– Ordinary	115.3	90.7	11.7	9.2
	613.2	1,262.9	62.2	128.1

The recommended final dividend for each year, which is subject to approval by shareholders at the Annual General Meeting and has therefore not been included as a liability in these financial statements, is as follows:

	2023 \$m	2022 \$m	2023 cents per share	2022 cents per share
Final dividend proposed in relation to the year				
– Ordinary	239.6	497.9	24.3	50.5

Total dividends proposed in relation to 2023 (including the interim dividend) are 36.0 cents per share or \$354.9 million (2022 – 59.7 cents per share or \$588.3 million).

In accordance with IAS 32, preference dividends have been included within net finance income/(expense) (see Note 10) and amounted to \$0.1 million (2022 – \$0.1 million).

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.

Further details relating to dividends for each year are given in the Directors' Report on page 179.

14 Intangible assets

	Cost \$m	Accumulated depreciation and impairment \$m	Net book value \$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)	–

14 Intangible assets *continued*

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.

15 Property, plant and equipment

	Land \$m	Mining properties \$m	Stripping costs \$m	Buildings and infrastructure \$m	Railway track \$m	Wagons and rolling stock \$m	Machinery, equipment and others \$m	Assets under construction \$m	Right- of-use assets \$m	Total \$m
Cost										
At 1 January 2022	61.9	672.0	2,879.5	5,803.9	122.8	206.5	7,244.4	2,929.2	500.3	20,420.5
Additions	–	–	582.5	–	–	–	2.0	1,366.2	51.3	2,002.0
Additions – capitalised depreciation	–	–	73.3	–	–	–	–	–	–	73.3
Adjustment to capitalised decommissioning provisions	–	–	–	173.8	–	–	–	–	–	173.8
Capitalisation of interest	–	–	–	–	–	–	–	49.0	–	49.0
Reclassifications	–	–	–	1.4	11.9	1.5	4.1	(15.8)	(3.1)	–
Asset disposals	–	–	–	(0.2)	–	(0.6)	(9.2)	(5.9)	(17.4)	(33.3)
At 31 December 2022	61.9	672.0	3,535.3	5,978.9	134.7	207.4	7,241.3	4,322.7	531.1	22,685.3
At 1 January 2023	61.9	672.0	3,535.3	5,978.9	134.7	207.4	7,241.3	4,322.7	531.1	22,685.3
Additions	11.9	–	792.5	1.5	12.2	13.6	5.3	1,293.2	177.7	2,307.9
Additions – capitalised depreciation	–	–	90.3	–	–	–	–	–	–	90.3
Adjustment to capitalised decommissioning provisions	–	–	–	(27.2)	–	–	(4.7)	–	–	(31.9)
Capitalisation of interest	–	–	–	–	–	–	–	112.1	–	112.1
Reclassifications	(0.4)	–	–	10.7	–	–	(10.6)	(0.1)	–	(0.4)
Asset disposals	–	–	–	–	–	–	(1.9)	–	(0.7)	(2.6)
At 31 December 2023	73.4	672.0	4,418.1	5,963.9	146.9	221.0	7,229.4	5,727.9	708.1	25,160.7
Accumulated depreciation and impairment										
At 1 January 2022	(25.0)	(588.1)	(1,372.4)	(2,889.9)	(44.4)	(111.5)	(4,540.7)	–	(310.0)	(9,882.0)
Charge for the year	–	(60.1)	(352.8)	(319.3)	(7.8)	(14.0)	(293.2)	–	(93.9)	(1,141.1)
Depreciation capitalised in inventories	–	–	–	–	–	–	(71.1)	–	–	(71.1)
Depreciation capitalised in property, plant and equipment	–	–	–	–	–	–	(73.3)	–	–	(73.3)
Asset disposals	–	–	–	0.1	–	0.6	7.6	–	17.4	25.7
At 31 December 2022	(25.0)	(648.2)	(1,725.2)	(3,209.1)	(52.2)	(124.9)	(4,970.7)	–	(386.5)	(11,141.8)
At 1 January 2023	(25.0)	(648.2)	(1,725.2)	(3,209.1)	(52.2)	(124.9)	(4,970.7)	–	(386.5)	(11,141.8)
Charge for the year	–	(13.7)	(366.1)	(342.1)	(8.7)	(16.8)	(380.3)	–	(83.6)	(1,211.3)
Depreciation capitalised in inventories	–	–	–	–	–	–	(41.2)	–	–	(41.2)
Depreciation capitalised in property, plant and equipment	–	–	–	–	–	–	(90.3)	–	–	(90.3)
Asset disposals	–	–	–	–	–	–	1.9	–	0.7	2.6
At 31 December 2023	(25.0)	(661.9)	(2,091.3)	(3,551.2)	(60.9)	(141.7)	(5,480.6)	–	(469.4)	(12,482.0)
Net book value										
At 31 December 2023	48.4	10.1	2,326.8	2,412.7	86.0	79.3	1,748.8	5,727.9	238.7	12,678.7
At 31 December 2022	36.9	23.8	1,810.1	2,769.8	82.5	82.5	2,270.6	4,322.7	144.6	11,543.5

The Group has no (2022: nil) assets pledged as security against bank loans provided to the Group.

At 31 December 2023, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$978.3 million (2022 – \$845.1 million) of which \$579.4 million was related to Los Pelambres and \$389.5 million to Centinela.

The average interest rate for the interest capitalised was 6.0% (2022 – 2.8%).

At 31 December 2023, the net book value of assets capitalised relating to the decommissioning provision was \$158.6 million (2022 – \$212.1 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 (2022 – \$73.3 million).

The Company leases various assets including office leases and machinery and equipment. The depreciation charge for Right-of-use assets for office leases for 2023 was \$1.4 million (2022 – \$0.8 million); the remaining amounts correspond to machinery and equipment.

16 Investments in subsidiaries

The subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2023	Economic interest at 2022
Direct subsidiaries of the Parent Company						
Antofagasta Railway Company plc	UK	Chile	1	Railway	100%	100%
Andes Trust Limited (The)	UK	UK	1	Investment	100%	100%
Andean LFMA Investment Limited	UK	Chile	1	Investment	100%	100%
Alfa Estates Limited	Jersey	Jersey	3	Investment	100%	100%
Andes Re Limited	Bermuda	Bermuda	4	Insurance	100%	100%
Indirect subsidiaries of the Parent Company						
Minera Los Pelambres SCM	Chile	Chile	2	Mining	60%	60%
Minera Centinela SCM	Chile	Chile	2	Mining	70%	70%
Minera Antucoya SCM	Chile	Chile	2	Mining	70%	70%
Antofagasta Minerals S.A.	Chile	Chile	2	Mining	100%	100%
Energía Andina Geothermal SpA	Chile	Chile	2	Energy	100%	100%
MLP Transmisión S.A.	Chile	Chile	2	Energy	100%	100%
Sociedad Contractual Minera El Encierro	Chile	Chile	2	Mining	57.17%	56.54%
Northern Minerals Investment (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Northern Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Northern Minerals Holding Co	USA	USA	5	Investment	100%	100%
Duluth Metals Limited	Canada	Canada	7	Investment	100%	100%
Twin Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Twin Metals (USA) Inc	USA	USA	6	Investment	100%	100%
Twin Metals Minnesota LLC	USA	USA	6	Mining	100%	100%
Franconia Minerals (US) LLC	USA	USA	6	Mining	100%	100%
Duluth Metals Holdings (USA) Inc	USA	USA	13	Investment	100%	100%
Duluth Exploration (USA) Inc	USA	USA	14	Investment	100%	100%
DMC LLC (Minnesota)	USA	USA	13	Investment	100%	100%
DMC (USA) LLC (Delaware)	USA	USA	13	Investment	100%	100%
DMC (USA) Corporation	USA	USA	13	Investment	100%	100%
Antofagasta Investment Company Limited	UK	UK	1	Investment	100%	100%
Minprop Limited	Jersey	Jersey	3	Mining	100%	100%
Antomin 2 Limited	BVI	BVI	8	Mining	51%	51%
Antomin Investors Limited	BVI	BVI	8	Mining	51%	51%
Antofagasta Minerals Australia Pty Limited	Australia	Australia	9	Mining	100%	100%
Minera Anaconda Peru S.A.	Peru	Peru	10	Mining	100%	100%
Los Pelambres Holding Company Limited	UK	UK	1	Investment	100%	100%
Los Pelambres Investment Company Limited	UK	UK	1	Investment	100%	100%
Lamborn Land Co	USA	USA	5	Investment	100%	100%
Anaconda South America Inc	USA	USA	15	Investment	100%	100%
El Tesoro (SPV Bermuda) Limited	Bermuda	Bermuda	4	Investment	100%	100%
Antofagasta Minerals Canada	Canada	Canada	9	Agency	100%	100%
Antofagasta Minerals (Shanghai) Co. Limited	China	China	16	Agency	100%	100%
Andes Investments Company (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Bolivian Rail Investors Co Inc	USA	USA	5	Investment	100%	100%
Inversiones Los Pelambres Chile Limitada	Chile	Chile	2	Investment	100%	100%
Equatorial Resources SpA	Chile	Chile	2	Investment	100%	100%
Minera Santa Margarita de Astillas SCM	Chile	Chile	2	Mining	82.0%	82.0%

16 Investments in subsidiaries *continued*

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2023	Economic interest at 2022
Minera Penacho Blanco SA	Chile	Chile	2	Mining	66.6%	66.6%
Michilla Costa SpA	Chile	Chile	2	Logistics	99.9%	99.9%
Minera Pampa Fenix SCM	Chile	Chile	2	Investment	90.0%	90.0%
Minera Mulpun Limitada	Chile	Chile	2	Mining	100%	100%
Fundación Minera Los Pelambres	Chile	Chile	2	Community development	100%	100%
Inversiones Punta de Rieles Limitada	Chile	Chile	12	Investment	100%	100%
Ferrocarril Antofagasta a Bolivia	Chile	Chile	12	Railway	100%	100%
Inversiones Chilean Northern Mines Limitada	Chile	Chile	12	Investment	100%	100%
The Andes Trust Chile SA	Chile	Chile	12	Investment	100%	100%
Forestal S.A.	Chile	Chile	12	Forestry	100%	100%
Servicios de Transportes Integrados Limitada	Chile	Chile	12	Road transport	100%	100%
Inversiones Train Limitada	Chile	Chile	12	Investment	100%	100%
Servicios Logísticos Capricornio Limitada	Chile	Chile	12	Transport	100%	100%
Embarcadores Limitada	Chile	Chile	12	Transport	100%	100%
FCAB Ingeniería y Servicios DOS Limitada	Chile	Chile	12	Transport	100%	100%
Inmobiliaria Parque Estación S.A.	Chile	Chile	12	Real Estates	100%	100%
Emisa Antofagasta SA	Chile	Chile	12	Transport	100%	100%

Registered offices:

- 1 103 Mount Street, London, W1K 2TJ, UK
- 2 Avenida Apoquindo N° 4001, Piso 18, Las Condes, Santiago, Chile
- 3 22 Grenville Street, St Helier, Jersey, JE4 8PX3, Channel Islands
- 4 Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
- 5 1209 Orange Street, Wilmington, DE 19801, USA
- 6 6040 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
- 7 161 Bay Street, Suite 4320, Toronto, Ontario, M5J 2S1, Canada
- 8 PO Box 958, Road Town, Tortola VG1110, British Virgin Islands
- 9 Riparian Plaza, Level 28, 71 Eagle Street, Brisbane, Qld 4001, Australia
- 10 Avenida Paseo de la Republica N° 3245 Piso 3, Lima, Peru
- 11 Avenida 16 de Julio N° 1440, piso 19 oficina 1905, La Paz, Bolivia
- 12 Simon Bolivar 255, Antofagasta, Chile
- 13 6041 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
- 14 1010 Dale Street N, St Paul, MN 55117-5603, USA
- 15 2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
- 16 Unit 3309, IFC 2, 8 Century Avenue, Shanghai, China

With the exception of the Antofagasta Railway Company plc, all of the above Group companies have only one class of ordinary share capital in issue. The Antofagasta Railway Company plc has ordinary and preference share capital in issue, with the ordinary share capital representing 76% of the Company's total share capital, and the preference share capital representing 24%. Antofagasta plc holds 100% of both the ordinary and preference shares.

The proportion of voting rights is proportional to the economic interest for the companies listed above.

17 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.

18 Investment in associates and joint ventures

	ATI (i) 2023 \$m	Minera Zaldivar (ii) 2023 \$m	Total 2023 \$m
Balance at the beginning of the year	7.3	897.3	904.6
Obligations on behalf of JV and associates at the beginning of the year	–	–	–
Capital contribution	0.6	–	0.6
Share of profit/(loss) before tax	2.6	(1.2)	1.4
Share of tax	(0.7)	(14.2)	(14.9)
Share of profit/(loss) from JV and associates	1.9	(15.4)	(13.5)
Share of other comprehensive loss of associates and joint ventures, net of tax	–	(0.6)	(0.6)
Balance at the end of the year	9.8	881.3	891.1

	ATI (i) 2022 \$m	Minera Zaldivar (ii) 2022 \$m	Tethyan Copper (iii) 2022 \$m	Total 2022 \$m
Balance at the beginning of the year	5.8	900.0	–	905.8
Obligations on behalf of JV and associates at the beginning of the year	–	–	(0.6)	(0.6)
Share of profit/(loss) before tax	2.0	69.3	(0.7)	70.6
Share of tax	(0.5)	(22.0)	–	(22.5)
Share of profit/(loss) from JV and associates	1.5	47.3	(0.7)	48.1
Dividends receivable	–	(50.0)	–	(50.0)
Disposal of investment in JV	–	–	1.3	1.3
Balance at the end of the year	7.3	897.3	–	904.6

The investments, which are included in the \$891.1 million balances 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

- The Group's 50% interest in Minera Zaldivar SpA ("Zaldivar").
- The Group had a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in the Islamic Republic of Pakistan ("Pakistan"). As explained in Note 17, on 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture and it is therefore no longer recognised as a joint venture by the Group.

As the net carrying value of the interest in Tethyan was negative, it was included within non-current liabilities, as the Group was liable for its share of the joint venture's obligations.

Summarised financial information for the associates is as follows:

	ATI 2023 \$m	ATI 2022 \$m
Cash and cash equivalents	5.9	0.4
Current assets	21.6	18.2
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

18 Investment in associates and joint ventures *continued*

Summarised financial information for the joint ventures is as follows:

	Minera Zaldivar 2023 \$m	Minera Zaldivar 2022 \$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 (excluding trade, other payables and provisions)	(57.8)	(53.2)
Current liabilities	(171.3)	(159.3)
Non-current financial liabilities (excluding trade, other payables and provisions)	(10.8)	(68.3)
Non-current liabilities	(230.0)	(203.3)
Revenue	718.6	783.4
Depreciation and amortisation	(164.4)	(149.2)
Interest income	2.0	1.5
Interest expense	(11.3)	(0.8)
Income tax expense	(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 include 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.

19 Equity investments

	2023 \$m	2022 \$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 differences	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 29).

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 18.1 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 7% of Buenaventura's issued share capital. As detailed in Notes 4 and 22, during 2023 the Group entered into an agreement to acquire an additional holding of up to 30 million shares in Buenaventura, representing approximately 12% of Buenaventura's issued share capital.

20 Inventories

	2023 \$m	2022 \$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	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.

21 Trade and other receivables

Trade and other receivables do not generally carry any interest, are principally short-term in nature and are normally stated at their nominal value less any impairment.

	Due in one year		Due after one year		Total	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m	2023 \$m	2022 \$m
Trade receivables	950.1	997.1	–	–	950.1	997.1
Other receivables ¹	167.7	1,090.1	68.5	51.0	236.2	1,141.1
	1,117.8	2,087.2	68.5	51.0	1,186.3	2,138.2

1. At 31 December 2022, the Other receivables balance included the proceeds receivable in respect of the Group's disposal of its investment in the Tethyan joint venture (Note 17).

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. There is no material element which is interest-bearing. Trade receivables include mark-to-market adjustments in respect of provisionally priced sales of copper and molybdenum concentrates which remain open as to final pricing. Further details of such adjustments are given in Note 7. Other receivables include mainly due to IVA (Chilean Value Added Tax) receivables of \$106.8 million (31 December 2022 – \$124.6 million) and employee loans of \$53.0 million (31 December 2022 – \$49.3 million).

Movements in the expected credit loss provision were as follows:

	2023 \$m	2022 \$m
Balance at the beginning of the year	(1.0)	(1.2)
Utilised in year	(0.3)	0.2
Foreign currency exchange difference	0.1	–
Balance at the end of the year	(1.2)	(1.0)

The ageing analysis of the trade and other receivables balance is as follows:

	Up to date \$m	Up to 3 months past due \$m	3-6 months past due \$m	More than 6 months past due \$m	Total excluding expected credit loss provision \$m	Expected credit loss provision \$m	Total \$m
2023	1,168.9	13.9	0.5	4.2	1,187.5	(1.2)	1,186.3
2022	2,098.8	36.8	1.2	2.4	2,139.2	(1.0)	2,138.2

The carrying value of the trade receivables recorded in the financial statements represents the Group's maximum exposure to credit risk in relation to these items. Other than the expected credit loss provision amount set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

22 Other financial asset

Compañía de Minas Buenaventura S.A.A.

During 2023, the Group entered into an agreement to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura"), representing approximately 12% of Buenaventura's issued share capital. Subsequent to the year-end, in March 2024, the agreement completed. Buenaventura is Peru's largest, publicly traded precious and base metals company and a major holder of mining rights in Peru. A payment of \$290.1 million was made in respect of this agreement in June 2023. 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 Notes 4 and 19, as at 31 December 2023 the Group held an existing holding of approximately 18.1 million shares in Buenaventura, representing approximately 7% of Buenaventura's issued share capital.

23 Cash and cash equivalents, and liquid investments

The fair value of cash and cash equivalents, and liquid investments is not materially different from the carrying values presented. The credit risk on cash and cash equivalents is considered to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cash and cash equivalents, and liquid investments comprised:

	2023 \$m	2022 \$m
Cash and cash equivalents	644.7	810.4
Liquid investments	2,274.7	1,580.8
	2,919.4	2,391.2

At 31 December 2023 and 2022 there is no cash which is subject to restriction.

The denomination of cash, cash equivalents and liquid investments was as follows:

	2023 \$m	2022 \$m
US dollars	2,895.3	2,371.1
Chilean pesos	22.3	18.8
Sterling	1.2	1.0
Other	0.6	0.3
	2,919.4	2,391.2

23 Cash and cash equivalents, and liquid investments *continued*

The credit quality of cash, cash equivalents and liquid investments are as follow:

	2023 \$m	2022 \$m
AAA	2,075.1	1,476.7
AA+	–	–
AA	–	–
AA-	110.0	36.5
A+	223.4	303.0
A	405.4	484.1
Subtotal	2,813.9	2,300.3
Cash at bank ¹	105.5	90.9
Total cash, cash equivalents and liquid investments	2,919.4	2,391.2

1. Cash at bank is held with investment grade financial institutions.

There have been no impairments recognised in respect of cash or cash equivalents in the year ended 31 December 2023 (year ended 31 December 2022: nil).

24 Borrowings and other financial liabilities**A) Analysis by type of borrowing and other financial liabilities**

Borrowings and other financial liabilities may be analysed by business segment and type as follows:

	Note	2023 \$m	2022 \$m
Los Pelambres			
Senior loan	(i)	(2,067.2)	(1,470.5)
Leases		(45.2)	(55.3)
Centinela			
Senior loan	(ii)	(166.3)	(276.7)
Other loans	(ii)	(265.0)	–
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			
Bond	(vi)	(986.8)	(985.3)
Leases	(vii)	(18.4)	(23.1)
Transport division			
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:

- o 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.
 - o 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 year bullet with an interest rate of Term SOFR six-month rate plus 1.60%. The second loan is also a bullet for \$200 million with 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, amortising, 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 \$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 Corporation 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.

- (vii) Antofagasta plc in October 2020 issued a corporate bond for \$500 million with a 10 year 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 year tenor with a base spread of Treasuries plus 287.5 bps and a coupon of 5.625%.
- (viii) Financial Leases at Corporate and other items are denominated in Unidades de Fomento (i.e. 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%.
- (ix) 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%.
- (x) 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.

B) Leases

Information in respect of the Group's leases is contained in the following notes:

- o Note 15 – depreciation charges, additions and disposals in respect of the right of use assets relating to the leases
- o Note 33 B) – repayments of the lease balances and new lease liabilities arising during the period
- o Note 10 – interest expense in respect of the lease balances
- o Note 10 – cash paid relating to interest on lease

C) Analysis of borrowings and other financial liabilities by currency

The exposure of the Group's borrowings to currency risk is as follows:

	Chilean pesos \$m	Sterling \$m	US dollars \$m	2023 Total \$m
At 31 December 2023				
Corporate loans	–	–	(2,412.6)	(2,412.6)
Bond	–	–	(986.8)	(986.8)
Other loans (including short-term loans)	–	–	(452.6)	(452.6)
Leases	(174.8)	(3.5)	(46.4)	(224.7)
Preference shares	–	(2.5)	–	(2.5)
	(174.8)	(6.0)	(3,898.4)	(4,079.2)
At 31 December 2022				
Corporate loans	(0.3)	–	(1,985.7)	(1,986.0)
Bond	–	–	(985.3)	(985.3)
Other loans (including short-term loans)	–	–	(171.5)	(171.5)
Leases	(115.1)	(3.9)	(12.7)	(131.7)
Preference shares	–	(2.5)	–	(2.5)
	(115.4)	(6.4)	(3,155.2)	(3,277.0)

D) Analysis of borrowings and other financial liabilities by type of interest rate

The exposure of the Group's borrowings to interest rate risk is as follows:

	Fixed \$m	Floating \$m	2023 Total \$m
At 31 December 2023			
Corporate loans	(5.0)	(2,407.6)	(2,412.6)
Bond	(986.8)	–	(986.8)
Other loans (including short-term loans)	–	(452.6)	(452.6)
Leases	(224.7)	–	(224.7)
Preference shares	(2.5)	–	(2.5)
	(1,219.0)	(2,860.2)	(4,079.2)
At 31 December 2022			
Corporate loans	(15.5)	(1,970.5)	(1,986.0)
Bond	(985.3)	–	(985.3)
Other loans (including short-term loans)	–	(171.5)	(171.5)
Leases	(125.7)	(6.0)	(131.7)
Preference shares	(2.5)	–	(2.5)
	(1,129.0)	(2,148.0)	(3,277.0)

24 Borrowings and other financial liabilities *continued***E) Maturity profile**

The maturity profile of the Group's borrowings is as follows:

	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2023 Total \$m
At 31 December 2023					
Corporate loans	(529.1)	(570.9)	(1,287.6)	(25.0)	(2,412.6)
Bond	–	–	–	(986.8)	(986.8)
Other loans	(265.0)	–	(187.6)	–	(452.6)
Leases	(107.8)	(73.0)	(42.6)	(1.3)	(224.7)
Preference shares	–	–	–	(2.5)	(2.5)
	(901.9)	(643.9)	(1,517.8)	(1,015.6)	(4,079.2)
	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2022 Total \$m
At 31 December 2022					
Corporate loans	(377.4)	(531.7)	(927.7)	(149.2)	(1,986.0)
Bond	–	–	–	(985.3)	(985.3)
Other loans	–	–	(171.5)	–	(171.5)
Leases	(55.1)	(39.5)	(35.9)	(1.2)	(131.7)
Preference shares	–	–	–	(2.5)	(2.5)
	(432.5)	(571.2)	(1,135.1)	(1,138.2)	(3,277.0)

The amounts included above for leases are based on the present value of minimum lease payments.

The total minimum lease payments for these leases may be analysed as follows:

	2023 \$m	2022 \$m
Within 1 year	(121.0)	(62.1)
Between 1 – 2 years	(79.0)	(40.1)
Between 2 – 5 years	(47.4)	(37.6)
After 5 years	–	(1.3)
Total minimum lease payments	(247.4)	(141.1)
Less amounts representing finance charges	22.7	9.4
Present value of minimum lease payments	(224.7)	(131.7)

All leases are on a fixed payment basis and no arrangements have been entered into for contingent rental payments.

F) Financing Facilities

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 2023.

	Facility available		Drawn		Undrawn	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m	2023 \$m	2022 \$m
Revolving credit facility	(500.0)	(500.0)	–	–	(500.0)	(500.0)
	(500.0)	(500.0)	–	–	(500.0)	(500.0)

25 Trade and other payables

	Due in one year		Due after one year		Total	
	2023 \$m	2022 \$m	2023 \$m	2022 \$m	2023 \$m	2022 \$m
Trade creditors	(788.1)	(751.5)	–	–	(788.1)	(751.5)
Other creditors and accruals	(383.4)	(328.2)	(9.8)	(8.0)	(393.2)	(336.2)
	(1,171.5)	(1,079.7)	(9.8)	(8.0)	(1,181.3)	(1,087.7)

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Other creditors are mainly related to property plant and equipment payables, finance interest and employee tax.

The average credit period taken for trade purchases is 20 days (2022 – 18 days).

26 Financial instruments and financial risk management

A) Categories of financial instruments

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

	2023 \$m			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
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				
Borrowings and leases	–	–	(4,079.2)	(4,079.2)
Trade and other payables	–	–	(1,154.3)	(1,154.3)
	–	–	(5,233.5)	(5,233.5)

	2022 \$m			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
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				
Borrowings and leases	–	–	(3,277.0)	(3,277.0)
Trade and other payables	–	–	(1,067.3)	(1,067.3)
	–	–	(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:

	2023 \$m	2022 \$m
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)

26 Financial instruments and financial risk management *continued***B) Fair value of financial instruments**

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

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2023 \$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 investment (e)	–	2,274.7	–	2,274.7
	289.7	3,648.4	–	3,938.1

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2022 \$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 investment (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.

- 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.
- 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.
- The other financial asset relates to an agreement the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. ("Buenaventura") (as detailed in Note 22). Subsequent to the year-end, in March 2024, the agreement completed. A payment of \$290.1 million was made in respect of this agreement in June 2023. 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 assumed that the Group will acquire all 30 million shares and the agreement runs to its scheduled maturity, although this was not considered to be a significant factor in determining the fair value based on the assessed likelihood and impact of an early termination occurring.
- 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.
- 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):

- o Level 1 fair value measurement inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- o 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.
- o 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.

C) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

The Board of Directors is responsible for overseeing the Group's risk management framework. The Audit and Risk Committee assists the Board with its review of the effectiveness of the risk management process, and monitoring of key risks and mitigations. The Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

(I) Commodity price risk

The Group generally sells its copper and molybdenum concentrate and copper cathode output at prevailing market prices, subject to final pricing adjustments which normally range from one to four months after delivery to the customer, and it is therefore exposed to changes in market prices for copper and molybdenum both in respect of future sales and previous sales, which remain open as to final pricing. In 2023, sales of copper and molybdenum concentrate and copper cathodes represented 89.4% of Group revenue and therefore revenues and earnings depend significantly on LME and realised copper prices.

The Group periodically uses futures and min-max options to manage its exposure to copper prices. These instruments may give rise to accounting volatility due to fluctuations in their fair value prior to the maturity of the instruments. Details of those copper and molybdenum concentrate sales and copper cathode sales, which remain open as to final pricing, are given in Note 7.

Commodity price sensitivity

The sensitivity analysis below shows the impact of a movement in the copper price on the financial instruments held as at the reporting date. A movement in the copper market price as at the reporting date will affect the final pricing adjustment to sales that remain open at that date, impacting the trade receivables balance and consequently the income statement. A movement in the copper market price will also affect the valuation of commodity derivatives, impacting the hedging reserve in equity if the fair value movement relates to an effective designated cash flow hedge, and impacting the income statement if it does not. The calculation assumes that all other variables, such as currency rates, remain constant.

- o If the copper market price as at the reporting date had increased by 10 c/lb, profit attributable to the owners of the parent would have increased by \$19.0 million (2022 – increase by \$19.8 million).
- o If the copper market price as at the reporting date had decreased by 10 c/lb, profit attributable to the owners of the parent would have decreased by \$19.0 million (2022 – decrease by \$19.8 million).

In addition, a movement in the average copper price during the year would impact revenue and earnings. A 10 c/lb change in the average copper price during the year would have affected profit attributable to the owners of the parent by \$60.6 million (2022 – \$58.7 million) and earnings per share by 6.1 cents (2022 – 6.0 cents), based on production volumes in 2023, without taking into account the effects of provisional pricing. A \$1 /lb change in the average molybdenum price for the year would have affected profit attributable to the owners of the parent by \$10.2 million (2022 – \$9.5 million), and earnings per share by 1.0 cents (2022 – 1.0 cents), based on production volumes in 2023, and without taking into account the effects of provisional pricing. A \$100 /oz change in the average gold price for the year would have affected profit attributable to the owners of the parent by \$9.6 million (2022 – \$11.6 million), and earnings per share by 1.0 cents (2022 – 1.2 cents), based on production volumes in 2023, and without taking into account the effects of provisional pricing.

(II) Currency risk

The Group is exposed to a variety of currencies. The US dollar, however, is the currency in which the majority of the Group's sales are denominated. Operating costs are influenced by the countries in which the Group's operations are based (principally in Chile) as well as those currencies in which the costs of imported goods and services are determined. After the US dollar, the Chilean peso is the most important currency influencing costs and to a lesser extent sales.

Given the significance of the US dollar to the Group's operations, this is the presentational currency of the Group for internal and external reporting. The US dollar is also the currency for borrowing and holding surplus cash, although a portion of this may be held in other currencies, notably Chilean pesos and Sterling, to meet short-term operating and capital commitments and dividend payments.

When considered appropriate, the Group uses forward exchange contracts and currency swaps to limit the effects of movements in exchange rates in foreign currency denominated assets and liabilities. The Group may also use these instruments to reduce currency exposure on future transactions and cash flows. Details of any exchange rate derivatives entered by the Group in the year are given in Note 26(D).

The currency exposure of the Group's cash, cash equivalents and liquid investments is given in Note 23, and the currency exposure of the Group's borrowings is given in Note 24(C). The effects of exchange gains and losses included in the income statement are given in Note 10. Exchange differences on translation of the net assets of entities with a functional currency other than the US dollar are taken to the currency translation reserve and are disclosed in the Consolidated Statement of Changes in Equity on page 191.

Currency sensitivity

The sensitivity analysis below shows the impact of a movement in the US dollar/Chilean peso exchange rate on the financial instruments held as at the reporting date.

The impact on profit or loss is as a result of the retranslation of non-US dollar monetary financial instruments (including cash, cash equivalents, liquid investments, trade receivables, trade payables and borrowings). The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges, and changes in the fair value of equity investments. The calculation assumes that all other variables, such as interest rates, remain constant.

If the US dollar had strengthened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have increased by \$34.7 million (2022 – increase of \$19.1 million). If the US dollar had weakened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have decreased by \$42.5 million (2022 – decrease of \$23.3 million).

(III) Interest rate risk

The Group's policy is generally to borrow and invest cash at floating rates. Fluctuations in interest rates may impact the Group's net finance income or cost, and to a lesser extent the value of financial assets and liabilities. The Group occasionally uses interest rate swaps and collars to manage interest rate exposures on a portion of its existing borrowings. Details of any interest rate derivatives entered into by the Group are given in Note 24(D).

The interest rate exposure of the Group's borrowings is given in Note 24.

Interest rate sensitivity

The sensitivity analysis below shows the impact of a movement in interest rates in relation to the financial instruments held as at the reporting date.

The impact on profit or loss reflects the impact on annual interest expense in respect of the floating rate borrowings held as at the reporting date, and the impact on annual interest income in respect of cash and cash equivalents held as at the reporting date. The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges. The calculation assumes that all other variables, such as currency rates, remain constant.

If the interest rate increased by 1%, based on the financial instruments held as at the reporting date, profit attributable to the owners of the parent would have decreased by \$3.3 million (2022 – decrease of \$3.3 million). This does not include the effect on the income statement of changes in the fair value of the Group's liquid investments relating to the underlying investments in fixed income instruments.

(IV) Other price risk

The Group is exposed to equity price risk on its equity investments.

Equity price sensitivity

The sensitivity analysis below shows the impact of a movement in the equity values of the equity investment financial assets held as at the reporting date.

If the value of the equity investments had increased by 10% as at the reporting date, equity would have increased by \$28.9 million (2022 – increase of \$9.1 million). There would have been no impact on the income statement.

26 Financial instruments and financial risk management *continued***(V) Cash flow risk**

The Group's future cash flows depend on a number of factors, including commodity prices, production and sales levels, operating costs, capital expenditure levels, and financial income and costs. Its cash flows are therefore subject to the exchange, interest rate and commodity price risks described above as well as operating factors and input costs. To reduce the risk of potential short-term disruptions to the supply of key inputs such as electricity and sulphuric acid, the Group enters into medium and long-term supply contracts to help ensure continuity of supply. Long-term electricity supply contracts are in place at each of the Group's mines, in most cases linking the cost of electricity under the contract to the current cost of electricity on the Chilean grid or the generation cost of the supplier. The Group seeks to lock in supply of sulphuric acid for future periods of a year or longer, with contract prices agreed in the latter part of the year, to be applied to purchases of acid in the following year. Further information on production and sales levels and operating costs are given in the Operating review on pages 90 to 107.

(VI) Credit risk

Credit risk arises from trade and other receivables, cash, cash equivalents, liquid investments and derivative financial instruments. The Group's credit risk is primarily to trade receivables. The credit risk on cash, cash equivalents and liquid investments and on derivative financial instruments is limited as the counterparties are financial institutions with high credit ratings assigned by international credit agencies.

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. All customers are subject to credit review procedures, including the use of external credit ratings where available. Credit is provided only within set limits, which are regularly reviewed. The main customers are recurrent with a good credit history during the years they have been customers.

Outstanding receivable balances are monitored on an ongoing basis.

The carrying value of financial assets recorded in the financial statements represents the maximum exposure to credit risk. The amounts presented in the balance sheet are net of allowances for any doubtful receivables (Note 21).

The Group has recognised an expected credit loss provision for its employee receivables, with the main inputs into the provision calculation being the average level of staff turnover and the average level of recovery of receivables from former employees. For the reasons set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

(VII) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and financing facilities, through the review of forecast and actual cash flows.

The Group typically holds surplus cash in demand or term deposits or highly liquid investments, which typically can be accessed or liquidated within 24 hours.

At the end of 2023, the Group was in a net debt position (2022 – net debt position), as disclosed in Note 33(C). Details of cash, cash equivalents and liquid investments are given in Note 23, while details of borrowings including the maturity profile are given in Note 24(E). Details of undrawn committed borrowing facilities are also given in Note 24.

The following table analyses the maturity of the Group's contractual commitments in respect of its financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2023 Total \$m
At 31 December 2023					
Corporate loans	(704.8)	(705.8)	(1,460.0)	(25.9)	(2,896.5)
Other loans (including short-term loans and bond)	(305.0)	(40.0)	(306.8)	(1,122.2)	(1,774.0)
Leases	(122.0)	(79.0)	(45.6)	(0.9)	(247.5)
Preference shares*	(0.1)	(0.1)	(0.3)	(2.6)	(3.1)
Trade and other payables	(1,171.5)	(9.5)	(0.3)	–	(1,181.3)
	(2,303.4)	(834.4)	(1,813.0)	(1,151.6)	(6,102.4)
At 31 December 2022					
Corporate loans	(475.7)	(609.4)	(1,017.8)	(163.3)	(2,266.2)
Other loans (including short-term loans and bond)	(60.5)	(40.0)	(290.8)	(1,176.3)	(1,567.6)
Leases	(62.1)	(40.4)	(37.9)	(1.3)	(141.7)
Preference shares*	(0.1)	(0.1)	(0.3)	(2.5)	(3.0)
Trade and other payables	(1,079.8)	(4.0)	(3.9)	–	(1,087.7)
	(1,678.2)	(693.9)	(1,350.7)	(1,343.4)	(5,066.2)

* The preference shares pay an annual dividend of £100,000 in perpetuity, and accordingly it is not possible to determine total amounts payable for periods without a fixed end date.

(VIII) Capital risk management

The Group's objectives are to return capital to shareholders while leaving the Group with sufficient funds to progress its short, medium and long-term growth plans as well as preserving the financial flexibility to take advantage of opportunities as they may arise. This policy remains unchanged.

The Group monitors capital on the basis of net cash/debt (defined as cash, cash equivalents and liquid investments less borrowings) which was net debt of \$1,159.8 million at 31 December 2023 (2022 – net debt \$885.8 million), as well as gross cash (defined as cash, cash equivalents and liquid investments) which was \$2,919.4 million at 31 December 2023 (2022 – \$2,391.2 million). The Group's total cash is held in a combination of on demand and term deposits and managed funds investing in high quality, fixed income instruments. The managed funds are held primarily for investment purposes rather than meeting short-term cash commitments and accordingly these amounts are presented as liquid investments; however they are included in net cash for monitoring and decision-making purposes. The Group has a risk averse investment strategy. The Group's borrowings are detailed in Note 24. Additional project finance or shareholder loans are taken out by the operating subsidiaries to fund projects on a case-by-case basis.

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- 1) Net Financial Debt/EBITDA
- 2) EBITDA/Interest Expense
- 3) Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value)

The Group has complied with these covenants throughout the reporting period.

D) 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.

The Group did not have any derivative financial instruments during 2023 or 2022.

When relevant, the Group applies the hedge accounting provisions of IFRS 9 “Financial Instruments”. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income or expense, with such amounts subsequently recognised in the income statement in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement are recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. Realised gains and losses and changes in the fair value of exchange and interest derivatives are recognised within other finance items for those derivatives where hedge accounting has not been applied. When hedge accounting has been applied, the realised gains and losses on exchange and interest derivatives are recognised within other finance items and interest expense respectively.

27 Long-term incentive plan

The long-term incentive plan (the “Plan”) forms part of the remuneration of senior managers in the Group. Directors are not eligible to participate in the Plan.

Details of the Awards

Under the Plan, the Group may grant awards based on the price of ordinary shares in the Company and cannot grant awards over actual shares.

- o Restricted Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company’s ordinary shares, subject to the relevant employee remaining employed by the Group when the Restricted Award vests, and
- o Performance Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company’s ordinary shares subject to both the satisfaction of a performance condition and the relevant employee remaining employed by the Group when the Performance Award vests.

When awards vest under the Plan, participants become entitled to receive a cash payment by reference to the number and portion of awards that have vested and the market value of the Company’s ordinary shares on the date of vesting. There is no exercise price payable by participants in respect of the awards.

Restricted Awards can only vest in full if participants remain employed by the Group for three years from the date that Restricted Awards are granted. In ordinary circumstances, the first one-third of a Restricted Award will vest after one year, the second one-third will vest after two years and the remaining one-third will vest after three years. There are no performance criteria attached to Restricted Awards. The fair value of Restricted Awards granted under the Plan is recorded as a compensation expense over the vesting periods, with a corresponding liability recognised for the fair value of the liability at the end of each period until settled.

Performance Awards only vest if certain performance criteria are met. The performance criteria reflect a number of factors including total shareholder return, earnings levels, growth in the Group’s reserves and resources and project delivery targets. The fair value of Performance Awards under the Plan is recorded as a compensation expense over the vesting period, with a corresponding liability at the end of each period until settled.

Valuation process and accounting for the awards

The fair value of the awards is determined using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model are as follows:

	2023	2022
Weighted average forecast share price at vesting date	\$21.6	\$18.5
Expected volatility	37.21%	50.90%
Expected life of awards	3 years	3 years
Expected dividend yields	2.93%	6.77%
Discount rate	5.32%	4.33%

Expected volatility was determined by calculating the historical volatility of the Group’s share price over the previous one year. The expected life of awards used in the model has been adjusted based on management’s best estimate for the effects of non-transferability and compliance of the objectives determined according to the characteristics of each plan.

27 Long-term incentive plan *continued*

The number of awards outstanding at the end of the year is as follows:

	Restricted Awards Number	Performance Awards Number
Outstanding at 1 January 2023	438,519	1,176,947
Granted during the year	291,060	468,967
Cancelled during the year	(25,178)	(49,510)
Payments during the year	(244,893)	(599,386)
Outstanding at 31 December 2023	459,508	997,018
Number of awards that have vested	171,803	–

The Group has recorded a liability of \$13.9 million at 31 December 2023, of which \$7.5 million is due after more than one year (31 December 2022 – \$17.2 million of which \$4.7 million was due after more than one year) and total expenses of \$12.6 million for the year (2022 – expense of \$13.1 million).

28 Post-employment benefit obligations**A) Defined contribution schemes**

The Group operates defined contribution schemes for a limited number of employees. The amount charged to the income statement in 2023 was \$0.1 million (2022 – \$0.1 million), representing the amount paid in the year. There were no outstanding amounts which remain payable at the end of either year.

B) Severance provisions

Employment terms at some of the Group's operations provide for payment of a severance payment when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on the final salary level. The severance payment obligation is treated as an unfunded defined benefit plan, and the obligation recognised is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated. The obligation recognised in the balance sheet represents the present value of the severance payment obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

The most recent valuation was carried out in 2023 by Ernst & Young, a qualified actuary in Santiago, Chile who is not connected with the Group.

The main assumptions used to determine the actuarial present value of benefit obligations were as follows:

	2023 %	2022 %
Average nominal discount rate	6.2%	5.3%
Average rate of increase in salaries	1.9%	2.2%
Average staff turnover	3.2%	3.5%

Amounts included in the income statement in respect of severance provisions are as follows:

	2023 \$m	2022 \$m
Current service cost (charge to operating profit)	(25.7)	(19.1)
Interest cost (charge to other finance items)	(7.2)	(6.8)
Foreign exchange credit to other finance items	3.6	1.5
Total charge to income statement	(29.3)	(24.4)

Movements in the present value of severance provisions were as follows:

	2023 \$m	2022 \$m
Balance at the beginning of the year	(137.3)	(107.5)
Current service cost	(25.7)	(19.1)
Actuarial gains/(losses)	10.7	(18.1)
Unwinding of discount on provisions	(7.2)	(6.8)
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)

Assumptions description

Discount rate

	31 December 2023	31 December 2022
Nominal discount rate	6.52%	5.34%
Reference rate name	20 year Chilean Central Bank Bonds	20 year Chilean Central Bank Bonds
Governmental or corporate rate	Governmental	Governmental
Reference rating	AA-/AA+	AA-/AA+
Corresponds to an Issuance market (primary) or secondary market	Secondary	Secondary
Issuance currency associated to the reference rate	Chilean peso	Chilean peso
Date of determination of the reference interest rate	31 October 2023	28 November 2022
Source of the reference interest rate	Bloomberg	Bloomberg

The discount rate is the interest rate used to discount the estimated future severance payments to their present value. The table above shows the principal instruments and assumptions utilised in determining the discount rate.

Rate of increase in salaries

This represents the estimated average rates of future salary increases, reflecting likely future promotions and other changes. This has been based on historical information for the Group for the period from 2019 to 2023.

Turnover rate

This represents the estimated average level of future employee turnover. This has been based on historical information for the Group for the period from 2019 to 2023.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and staff turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- o If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by \$6.5 million (2022 – decrease by \$10.2 million). If the discount rate is 100 basis points lower, the defined benefit obligation would increase by \$7.1 million (2022 – increase by \$11.7 million).
- o If the expected salary growth increases by 1%, the defined benefit obligation would increase by \$7.0 million (2022 – increase by \$10.5 million). If the expected salary growth decreases by 1%, the defined benefit obligation would decrease by \$6.5 million (2022 – decrease by \$9.6 million).
- o If the staff turnover increases by 1%, the defined benefit obligation would decrease by \$2.9 million (2022 – decrease by \$2.5 million). If the staff turnover decreases by 1%, the defined benefit obligation would increase by \$3.1 million (2022 – increase by \$2.5 million).

29 Deferred tax assets and liabilities

	Accelerated capital allowances \$m	Temporary differences on provisions \$m	Withholding tax \$m	Short-term differences \$m	Mining tax (Royalty) \$m	Tax losses \$m	Disposal \$m	Total \$m
At 1 January 2022	(1,371.0)	115.0	(23.1)	(61.3)	(102.9)	127.6	–	(1,315.7)
(Charge)/credit to income	(79.2)	1.4	(48.5)	(15.6)	(9.8)	(3.1)	–	(154.8)
Reclassification	(16.9)	7.8	–	9.1	–	–	–	–
Credit deferred in equity	–	4.9	–	–	0.8	–	–	5.7
At 31 December 2022 and 1 January 2023	(1,467.1)	129.1	(71.6)	(67.8)	(111.9)	124.5	–	(1,464.8)
(Charge)/credit to income	(34.4)	14.0	3.2	(1.1)	(2.6)	18.0	–	(2.9)
Adjustment due to introduction of new royalty	–	–	–	50.8	(85.1)	–	–	(34.3)
Tax on exceptional items ²	–	–	–	(41.8)	–	–	–	(41.8)
Reclassification	95.3	(77.1)	1.8	(30.0)	11.3	(1.3)	–	–
Charge deferred in equity ¹	–	(2.9)	–	(37.0)	(0.9)	–	–	(40.8)
At 31 December 2023	(1,406.2)	63.1	(66.6)	(126.9)	(189.2)	141.2	–	(1,584.6)

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 19) 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 the Group entered into during 2023 to acquire up to an additional 30 million shares in Compañía de Minas Buenaventura S.A.A. (see Note 4).

The charge to the income statement of \$2.9 million (2022 – \$154.8 million) included an impact from foreign exchange differences of \$0.3 million (2022: nil).

Certain deferred tax assets and liabilities have been offset. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, which under Chilean tax regulations is only possible within individual legal entities.

The following is the analysis of the deferred tax balance (after offset):

	2023 \$m	2022 \$m
Net deferred tax assets	72.0	78.5
Net deferred tax liabilities	(1,656.6)	(1,543.3)
Net deferred tax balances	(1,584.6)	(1,464.8)

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.

29 Deferred tax assets and liabilities *continued*

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 \$1,567.2 million (2022 – \$1,404.7 million) due in more than one year.

The deferred tax assets of \$72.0 million include \$23.5 million due in less than 1 year and \$48.5 million due in more than 1 year.

The deferred tax liabilities of \$1,656.6 million include \$40.9 million due in less than 1 year and \$1,615.7 million due in more than 1 year.

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

30 Decommissioning and restoration provisions

	2023 \$m	2022 \$m
Balance at the beginning of the year	(488.2)	(336.1)
Charge to operating profit in the year	(12.8)	(15.4)
Unwind 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 year	36.8	49.7
Foreign currency exchange difference	(0.2)	(0.9)
Balance at the end of the year	(441.1)	(488.2)
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.

31 Share capital and other reserves**(i) Share capital**

The ordinary share capital of the Company is as follows:

	2023 Number	2022 Number	2023 \$m	2022 \$m
Authorised				
Ordinary shares of 5p each	1,300,000,000	1,300,000,000	118.9	118.9
Issued and fully paid				
Ordinary shares of 5p each	985,856,695	985,856,695	89.8	89.8

The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

There were no changes in the authorised or issued share capital of the Company in either 2023 or 2022. Details of the Company's preference share capital, which is included within borrowings in accordance with IAS 32 Financial Instruments, are given in Note 24A(ix).

(II) Other reserves and retained earnings

The share premium account, fair value and translation reserves and retained earnings for both 2023 and 2022 are included within the consolidated statement of changes in equity on page 191 as follow:

	2023 \$m	2022 \$m
Share premium		
At 1 January and 31 December	199.2	199.2
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 reserves 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 period	848.6	1,484.9
Equity accounted units' (loss)/profit after tax for the period	(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 investments revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 19.
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. The cumulative differences relating to an investment are transferred to the income statement when the investment is disposed of.
3. Actuarial gains or losses relating to long-term employee benefits of the Group and associates and joint ventures, as described in Note 27.

32 Non-controlling interests

The non-controlling interests of the Group during 2023 and 2022 were as follows:

	Non-controlling Interest %	Country	At 1 January 2023 \$m	Share of profit/(loss) for the financial year \$m	Share of dividends \$m	Hedging and actuarial gains \$m	At 31 December 2023 \$m
Minera Los Pelambres SCM	40.0	Chile	1,443.0	373.4	(388.0)	1.2	1,429.6
Minera Centinela SCM	30.0	Chile	1,356.8	89.5	–	2.0	1,448.3
Minera Antucoya SCM	30.0	Chile	219.3	5.5	–	0.1	224.9
Sociedad Contractual Minera El Encierro	42.8	Chile	(2.2)	(4.1)	–	–	(6.3)
Total			3,016.9	464.3	(388.0)	3.3	3,096.5

	Non-controlling Interest %	Country	At 1 January 2022 \$m	Share of profit/(loss) for the financial year \$m	Share of dividends \$m	Hedging and actuarial losses \$m	At 31 December 2022 \$m
Minera Los Pelambres SCM	40.0	Chile	1,204.5	320.4	(80.0)	(1.9)	1,443.0
Minera Centinela SCM	30.0	Chile	1,275.9	82.9	–	(2.0)	1,356.8
Minera Antucoya SCM	30.0	Chile	198.4	21.2	–	(0.3)	219.3
Sociedad Contractual Minera El Encierro	43.5	Chile	–	(2.2)	–	–	(2.2)
Total			2,678.8	422.3	(80.0)	(4.2)	3,016.9

The proportion of the voting rights is proportional with the economic interest for each of the companies listed above.

32 Non-controlling interests *continued*

For material entities with non-controlling interests, the summarised financial position and cash flow information for the years ended 31 December 2023 and 31 December 2022 is set out below:

	Los Pelambres 2023 \$m	Centinela 2023 \$m	Antucoya 2023 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	222.2	156.5	52.0
Current assets ¹	1,320.8	1,256.7	340.2
Non-current assets	6,093.2	5,276.8	1,392.8
Current liabilities	(970.8)	(926.8)	(160.1)
Non-current liabilities	(2,858.4)	(930.3)	(375.1)
Net cash from operating activities	1,206.8	1,069.1	209.7
Net cash used in investing activities	(862.4)	(1,031.6)	(117.0)
Net cash (used in)/from financing activities	(409.0)	124.1	(67.8)

1. The current assets include cash and cash equivalents

	Los Pelambres 2022 \$m	Centinela 2022 \$m	Antucoya 2022 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	249.3	134.9	46.1
Current assets ¹	1,373.2	1,170.7	340.6
Non-current assets	5,413.3	4,752.3	1,367.2
Current liabilities	(725.8)	(553.3)	(153.1)
Non-current liabilities	(2,408.8)	(1,011.8)	(405.0)
Net cash from operating activities	1,060.9	762.2	162.1
Net cash used in investing activities	(881.0)	(879.8)	(65.1)
Net cash from/(used in) financing activities	44.8	(163.2)	(174.3)

1. The current assets include cash and cash equivalents

Notes to the summarised financial position and cash flow

- (i) The amounts disclosed for each subsidiary are based on the amounts included in the consolidated financial statements (100% of the results and balances of the subsidiary rather than the non-controlling interest proportionate share) before intercompany eliminations.
- (ii) Summarised income statement information is shown in the segment information in Note 6.
- (iii) There are some subsidiaries, including Encierro, with a non-controlling interest portion not included in this note where those portions are not material to the Group.

33 Notes to the consolidated cash flow statement**A) Reconciliation of profit before tax to cash flow from operations**

	2023 \$m	2022 \$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
Net 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

B) Analysis of changes in net debt

	At 1 January 2023 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Fair value gains \$m	Exchange \$m	At 31 December 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 cash and cash equivalents and liquid investments	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 cash/(debt)	(885.8)	(87.1)	(178.6)	(12.7)	(16.0)	–	19.7	0.7	(1,159.8)

	At 1 January 2022 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Other \$m	Exchange \$m	At 31 December 2022 \$m
Cash and cash equivalents	743.4	65.6	–	–	–	–	–	1.4	810.4
Liquid investments	2,969.7	(1,388.9)	–	–	–	–	–	–	1,580.8
Total cash and cash equivalents and liquid investments	3,713.1	(1,323.3)	–	–	–	–	–	1.4	2,391.2
Borrowings due within one year	(268.0)	373.9	–	–	–	(483.3)	–	–	(377.4)
Borrowings due after one year	(2,742.1)	(488.5)	–	(11.7)	(6.3)	483.3	(0.1)	–	(2,765.4)
Leases due within one year	(69.1)	105.4	–	–	–	(80.7)	–	(10.7)	(55.1)
Leases due after one year	(90.7)	–	(51.3)	–	–	80.7	(1.0)	(14.3)	(76.6)
Preference shares	(2.7)	–	–	–	–	–	–	0.2	(2.5)
Total borrowings	(3,172.6)	(9.2)	(51.3)	(11.7)	(6.3)	–	(1.1)	(24.8)	(3,277.0)
Net cash/(debt)	540.5	(1,332.5)	(51.3)	(11.7)	(6.3)	–	(1.1)	(23.4)	(885.8)

C) Net debt

	2023 \$m	2022 \$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)

34 Exchange rates

Assets and liabilities denominated in foreign currencies are translated into US dollars and Sterling at the period-end rates of exchange.

Results denominated in foreign currencies have been translated into US dollars at the average rate for each period.

	2023	2022
Year-end rates	\$1.2750=£1; \$1 = Ch\$877.12	\$1.2080=£1; \$1 = Ch\$855.86
Average rates	\$1.2440=£1; \$1 = Ch\$839.16	\$1.2340=£1; \$1 = Ch\$872.38

35 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, and in which members of the Luksic family are interested. A Director of the Company, Jean-Paul Luksic, and a member of the Group's Executive Committee, Andronico Luksic L, 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:

- o 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)
- o the Group earned interest income of \$0.9 million (2022 – \$0.8 million) during the year on investments with BanChile Administradora General de Fondos SA, a subsidiary of Quiñenco. Investment balances at the end of the year were nil (2022: nil)
- o the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of \$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)
- o 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 are interested, 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, a company controlled by the Luksic family, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. During the year ended 31 December 2023, the Group incurred \$0.1 million (year ended 31 December 2022 – \$0.1 million) of exploration expense 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 (see Note 18), 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).

F) Directors and other key management personnel

Information relating to Directors' remuneration and interests is given in the Remuneration Report on page 170. Information relating to the remuneration of key management personnel including the Directors is given in Note 9.

36 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 judgements may at times occur. The Group may incur, in the future, judgement 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 11.

37 Ultimate parent company

The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

Both Metalinvest Establishment and the E. Abaroa Foundation are domiciled in Liechtenstein. Information relating to the interest of Metalinvest Establishment and the E. Abaroa Foundation is given in the Directors' Report.

Financial statements of the parent company (Antofagasta plc)

Parent Company balance sheet

As at 31 December 2023

	Note	2023 \$m	2022 \$m
Non-current assets			
Investment in subsidiaries	5	938.3	589.1
Other receivables	5	53.6	54.0
Property, plant and equipment		3.8	4.4
		995.7	647.5
Current assets			
Other receivables	5	311.7	744.6
Liquid investments		773.3	457.6
Cash and cash equivalents		61.0	238.5
		1,146.0	1,440.7
Total assets		2,141.7	2,088.2
Current liabilities			
Amounts payable to subsidiaries	6	(345.2)	(615.7)
Other payables		(10.4)	(9.2)
		(355.6)	(624.9)
Non-current liabilities			
Medium and long-term borrowings	7	(992.5)	(992.2)
		(992.5)	(992.2)
Total liabilities		(1,348.1)	(1,617.1)
Net assets		793.6	471.1
Equity			
Share capital		89.8	89.8
Share premium		199.2	199.2
Retained earnings			
At 1 January		182.1	1,064.2
Profit for the year attributable to the owners		935.7	380.8
Dividends		(613.2)	(1,262.9)
At 31 December		504.6	182.1
Total equity		793.6	471.1

The financial statements on pages 235 to 238 were approved by the Board of Directors on 20 March 2024 and signed on its behalf by

Jean-Paul Luksic

Chairman

Francisca Castro

Senior Independent Director

Parent Company statement of changes in equity

	Share capital \$m	Share premium \$m	Retained earnings \$m	Total equity \$m
At 1 January 2022	89.8	199.2	1,064.2	1,353.2
Comprehensive income for the year	–	–	380.8	380.8
Dividends	–	–	(1,262.9)	(1,262.9)
At 31 December 2022	89.8	199.2	182.1	471.1
Comprehensive income for the year	–	–	935.7	935.7
Dividends	–	–	(613.2)	(613.2)
At 31 December 2023	89.8	199.2	504.6	793.6

The ordinary shares rank after the preference shares in entitlement to dividends and on a winding-up. Each ordinary share carries one vote at any general meeting.

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ.

1 Basis of preparation of the Parent Company financial statements

The Antofagasta plc Parent Company financial statements have been prepared in accordance with the Companies Act 2006 applicable to companies using FRS 101, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements. The financial information has been prepared on an historical cost basis. The financial statements have been prepared on a going concern basis. The functional currency of the Company and the presentation currency adopted is US dollars.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- o Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined)
- o IFRS 7, 'Financial Instruments: Disclosures'
- o Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- o Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant, and equipment'
 - (iii) paragraph 118(e) of IAS 38, Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- o The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- o IAS 7, 'Statement of cash flows'
- o Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- o Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- o The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group. All of the Parent Company's intercompany transactions and balances are with wholly-owned subsidiaries of the Group.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The profit after tax for the year of the Parent Company amounted to \$935.7 million (2022 – \$380.8 million).

2 Principal accounting policies of the Parent Company

A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently.

A) Currency translation

The Company's functional currency is the US dollar. Transactions in currencies other than the functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities, including amounts due from or to subsidiaries, denominated in currencies other than the functional currency (being US dollars) are retranslated at year-end exchange rates. Gains and losses on retranslation are included in net profit or loss for the year.

B) Income recognition

Dividends proposed by subsidiaries are recognised as income by the Company when they represent a present obligation of the subsidiaries, in the period in which they are formally approved for payment.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

C) Dividends payable

Dividends proposed are recognised when they represent a present obligation, in the period in which they are formally approved for payment. Accordingly, an interim dividend is recognised when paid and a final dividend is recognised when approved by shareholders.

D) Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments relating to equity holdings in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable; the recoverable amount of the investment is the higher of fair value less costs of disposal and value in use. Investments relating to long-term amounts owed by subsidiaries are reviewed to assess if a material expected credit loss provision is required in respect of these balances.

E) Liquid investments and cash and cash equivalents

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

F) Borrowings

Interest-bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

G) Borrowings – preference shares

The sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified as borrowings and translated into US dollars at year-end rates of exchange. Preference share dividends are included within finance costs.

H) Equity instruments – ordinary share capital and share premium

Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its sterling-denominated issued ordinary share capital and related share premium.

The presentational and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

I) Financing facilities

On 30 December, 2023, 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 (see Note 24F).

3 Significant accounting estimates and judgements

We do not consider there to be critical accounting judgements or key sources of estimation uncertainty which could have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year. We have set out below the most significant judgements and estimates applied in the preparation of the Company's balance sheet. The most significant accounting judgement is whether there are impairment indicators in respect of the carrying value of the Company's investments in subsidiaries, which have a total carrying value as at 31 December 2023 of \$938.3 million. The most significant accounting estimate is whether a credit loss provision is required in respect of any of the Company's receivable balances. Over 99% of the receivable balances relate to intercompany balances, primarily with Group holding companies which hold the Group's investments in the operating companies. There is not considered to be any significant risk of a material overstatement of these carrying values. In assessing this, the Group has considered the overall market capitalisation of the Group, which was \$21.1 billion at 31 December 2023, the cash and other assets held by the relevant Group companies and the level of earnings generated by the Group's operations.

4 Employee Benefit Expense**i) Average number of employees**

The average monthly number of employees was 4 (2022 – 4), engaged in management and administrative activities.

ii) Aggregate remuneration

The aggregate remuneration of the employees mentioned above was as follows:

	2023 \$m	2022 \$m
Wages and salaries	2.7	2.3
Social security costs	0.3	0.3
Other pension costs	0.1	0.1
	3.1	2.7

The above employee figures exclude Directors who receive Directors' fees from Antofagasta plc. Details of fees payable to Directors are set out in the Remuneration Report.

5 Subsidiaries**i) Investment in subsidiaries**

	2023 \$m	2022 \$m
Shares in subsidiaries at cost ¹	469.8	120.6
Amounts owed by subsidiaries due after more than one year	468.5	468.5
	938.3	589.1

	Shares \$m	Loans \$m	Total \$m
1 January 2023	120.6	468.5	589.1
31 December 2023	469.8	468.5	938.3

1. The \$349.2 million increase in the shares in subsidiaries balance reflects the acquisition by the Company of additional shares issued by the Company's direct subsidiary Andean LFMA Limited during the year.

The above amount of \$468.5 million (31 December 2022 – \$468.5 million) in respect of amounts owed by subsidiaries due after more than one year relates to long-term funding balances for which the Company does not expect to demand repayment in the foreseeable future and which form an integral part of the Company's long-term investment in those subsidiary companies.

The Company has reviewed whether there are any indicators of impairment in respect of the equity investment balance and concluded that there are no such indicators. The expected credit loss risk for the element of the investment balance relating to amounts owed by subsidiaries due after more than one year is considered to be immaterial to the Company.

ii) Trade and other receivables – amounts owed by subsidiaries due after one year

At 31 December 2023, an amount of \$53.6 million (31 December 2022 – \$54.0 million) was owed to the Company by indirect subsidiaries. This amount is not expected to be realised within 12 months after the reporting period. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

iii) Trade and other receivables – amounts owed by subsidiaries due within one year

At 31 December 2023, amounts owed by subsidiaries due within one year were \$311.7 million (31 December 2022 – \$744.6 million). These balances principally relate to \$308.3 million of intercompany dividends declared but not yet paid to the Company by its immediate subsidiary companies. The expected credit loss risk for the amounts owed by subsidiaries is considered to be immaterial to the Company.

6 Amounts payable to subsidiaries

At 31 December 2023, amounts payable to subsidiaries due within one year were \$345.2 million (31 December 2022 – \$615.7 million). The decrease in this balance during the year mainly reflects the repayment of a \$281.7 million balance as a result of an intra-group restructuring of intercompany balances.

7 Borrowings – preference shares

The authorised, issued and fully paid preference share capital of the Company comprised 2,000,000 5% cumulative preference shares of £1 each at both 31 December 2023 and 31 December 2022. As explained in Note 24C, the preference shares are recorded in the balance sheet in US dollars at period-end rates of exchange.

The preference shares are non-redeemable and are entitled to a fixed 5% cumulative dividend, payable in equal instalments in June and December of each year. On a winding-up, the preference shares 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 (see Note 24A (ix)) at any general meeting.

Independent auditors' report to the members of Antofagasta plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Antofagasta plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2022 (the "Annual Report"), which comprise: the consolidated and Parent Company balance sheets as at 31 December 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 8 to the Group financial statements, we have provided no non-audit services to the Parent Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We identified two components (2021: two) as individually financially significant components, which required an audit of their complete financial information due to their financial significance to the Group, and a further three components (2021: three) where we concluded that a full scope audit of the component financial information was warranted.
- Taken together, the components at which audit work was performed accounted for 97% of Group revenue.
- We also determined that specified procedures were necessary in respect of certain balances within the corporate and other items segment and transport division to ensure that we had sufficient coverage from our audit work over each line of the Group's financial statements.

Key audit matters

- Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldivar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent) (Group and Parent)
- The accounting for the disposal of the Group's interest in the Reko Diq project (Group)

Materiality

- Overall Group materiality: \$112 million (2021: \$108 million) based on 5% of the three year average of profit before tax adjusted for one-off items.
- Overall Parent Company materiality: \$20 million (2021: \$26.5 million) based on 1% of total assets.
- Performance materiality: \$84 million (2021: \$81 million) (Group) and \$15 million (2021: \$19.875 million) (Parent Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The accounting for the disposal of the Group's interest in the Reko Diq project (Group) is a new key audit matter this year. The assessment of indicators of impairment and impairment reversal was a key audit matter in the prior year, albeit the specific areas of focus of our audit work differed this year compared with last year.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of indicators of impairment and impairment reversal for property, plant and equipment, in particular in respect of the Zaldivar and Antucoya cash generating units (Group) and investments in subsidiaries (Parent) (Group and Parent)</i> In accordance with IAS 36 'Impairment of assets', the Directors are required to perform an impairment assessment of long-lived assets at any time an indicator of impairment exists. The Directors considered various external and internal factors, as set out in IAS 36, in assessing whether an indicator of impairment, or in respect of Antucoya, impairment reversal, existed as at 31 December 2022 in respect of the operating mine cash-generating units ('CGUs'), such as short- and long-term forecast copper prices, the operational performance of these mines and indicative estimates of movements in value during the year based on the latest Life of Mine plans. This assessment included consideration of the impact of climate risks, including scenario analysis, as detailed in note 5 to the Group financial statements. The Directors concluded that no indicators of impairment or impairment reversal existed as at 31 December 2022 in respect of these CGUs and, therefore, no detailed impairment tests were performed. This assessment required judgement on the part of the Directors in determining whether an impairment trigger existed and was an area which had a significant effect on our overall audit strategy and allocation of resources in the planning for, and completion of, our audit. It was, therefore, determined to be a key audit matter. The financial statements set out the key elements of the judgements made by the Directors, which include at Zaldivar that the ongoing renewal of mining and water permits, currently due to expire in 2024 and 2025 respectively, will be successful. Refer to notes 3 and 5 to the Group financial statements and the Audit and Risk Committee's views set out on pages 131 and 132. As at 31 December 2022, the Parent Company holds investments in subsidiaries amounting to \$589.1 million (2021: \$529.1 million), comprising shares and long-term funding balances that the Directors do not intend to demand repayment of in the foreseeable future. Judgement is required to assess whether impairment triggers exist in relation to the shares held in subsidiaries and, where triggers are identified, to determine whether the recoverable amount is no lower than the investment carrying value. Judgement is also required in determining whether an expected credit loss should be recorded against the long-term funding balances. In assessing for impairment triggers, management considered whether the underlying net assets of the investment support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be indicative of a trigger. For the loan balances, management considered whether the relevant subsidiary could repay the loans if they were demanded at the balance sheet date. Based on management's assessment, no impairment triggers in respect of the carrying value of investments in subsidiaries were identified by the Directors at the balance sheet date, and no expected credit loss on the long-term funding balances was recognised. Refer to notes 3 and 5 to the Parent Company's financial statements.	We assessed the Directors' conclusion that there were no indicators of impairment or impairment reversal as at 31 December 2022. Our procedures included evaluating management's trigger assessment, including its completeness by reference to both internal and external factors, including but not limited to operational performance in the year, potential changes in the Chilean mining royalty regime, macroeconomic factors including forecast copper prices, foreign currency exchange rates and market interest rates, climate change, and expected future production profiles and capital expenditure as included in the latest Life of Mine plan for each operation. In the case of Zaldivar, we also assessed the latest developments in respect of the permit applications. As well as considering whether any qualitative indicators of impairment existed, we evaluated management's quantitative impairment indicator assessments, and the process by which the indicative valuations were determined, including verifying the mathematical accuracy of the cash flow models and agreeing future capital and operating expenditure to the latest Board approved budgets and the latest approved Life of Mine plans. We assessed the reasonableness of the expected capital and operating expenses in light of their historical levels and recent operational performance, and considered the competence and objectivity of management's internal technical experts who prepared the Life of Mine plans. We evaluated the appropriateness of key market related assumptions in the indicative valuation models, including the copper prices, discount rates and foreign currency exchange rates, with the support of our valuation experts. We also performed sensitivity analysis around the key assumptions within the cash flow forecasts, using both lower long-term copper prices and a stronger Chilean peso. In addition, we assessed the impact of incorporating estimates of the potential future costs relating to climate change risks, based on the Task Force on Climate-related Financial Disclosures ("TCFD") scenario analyses prepared by management during the year, into these quantitative impairment indicator assessments. In light of the above, we assessed the appropriateness of the related disclosures in note 5 to the Group financial statements, including the sensitivities provided. Overall, we identified no material issues in our work. In respect of investments in subsidiaries in the Parent Company, we evaluated and challenged management's assessment and judgements in relation to the identification of impairment triggers; independently performed an assessment of other potential internal and external impairment triggers, including considering the market capitalisation of the Group with reference to the carrying value in the Parent Company of investments in subsidiaries; and evaluated the ability of the subsidiaries to repay the loan balances. As a result of our work, we were satisfied that the carrying value of the Parent Company's investments in subsidiaries is appropriate as at 31 December 2022.

Key audit matter	How our audit addressed the key audit matter
<i>The accounting for the disposal of the Group's interest in the Reko Diq project (Group)</i> On 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. The Directors determined that, as a result of the agreements, the Group no longer has joint control of the joint venture and has, therefore, derecognised its investment and recognised a gain on disposal of \$944.7 million, representing the proceeds of the divestment net of related adjustments. The Directors have applied judgement in determining that, under the agreements, the Group no longer has joint control of the Tethyan joint venture and has an unconditional right to receive the proceeds of the sale, currently held by Atacama. Judgement has also been applied in estimating the probability of the sales proceeds being subject to Australian tax. As this is an area which had a significant effect on our overall audit strategy and the allocation of resources in the planning for, and completion of, our audit, this was determined to be a key audit matter. Refer to notes 3 and 17 to the Group financial statements and the Audit and Risk Committee's views set out on page 132.	We assessed management's analysis of the accounting for the definitive agreements and considered potential alternative interpretations. We read the definitive agreements and confirmed that the contractual arrangements supported the Directors' judgements. We read the tax advice obtained by management in respect of the transaction, and have assessed the independence, competence and objectivity of management's external tax experts. We also engaged our internal tax experts to review the advice to help us assess the appropriateness of management's estimate in respect of tax. We read the related disclosures in respect of the transaction in note 17 to the Group financial statements and in respect of the significant estimation uncertainty in note 3. We identified no material issues as a result of our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The core mining business comprises four mining operations: Los Pelambres; Centinela; Antucoya; and Zaldívar, a joint venture with Barrick Gold Corporation operated by the Group. These mines produce copper cathodes, copper concentrates and significant volumes of by-products.

In addition to mining, the Group has a transport division that provides rail and road cargo services in northern Chile, predominantly to mining customers, including to the Group's own operations.

All of the above operations are located in Chile. In addition, the Group has corporate head offices located in both Santiago, Chile (Antofagasta Minerals S.A.) and London, UK (Antofagasta plc). The Group also has exploration projects in various countries.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at each of the four mine sites and the corporate offices in Chile, by us, as the Group engagement team and by component auditors from PwC Chile operating under our instruction. Los Pelambres and Centinela were considered to be financially significant components of the Group, due to their contribution towards Group profit before tax, and so required audits of their complete financial information. Antucoya and Zaldívar, as well as the Parent Company Antofagasta plc, were also subject to an audit of their complete financial information. We also requested that component auditors perform specified procedures over the corporate offices in Chile, and specific financial statement line items of other entities within the Group (including the transport division) to ensure that we had sufficient coverage from our audit work over each line of the Group's financial

statements. The Group engagement team also performed procedures in respect of the gain on disposal of the investment in the Tethyan joint venture. For all other components, the Group team performed analytical review procedures.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Our oversight procedures included the issuance of formal, written instructions to the component auditors setting out the work to be performed, regular communication throughout the audit cycle including regular component meetings, review of component auditor workpapers and participation in audit clearance meetings. In most cases communication was performed through video conferencing. However, members of the Group team also visited Chile on multiple occasions during the audit. The Group team also reviewed the component auditor working papers and reviewed other communications dealing with significant accounting and auditing issues.

Taken together, the components where we performed our audit work accounted for 97% of consolidated revenue, 94% of consolidated profit before tax and 92% of consolidated profit before tax adjusted for one-off items. This was before considering the contribution to our audit evidence from performing additional audit work at the Group level, including disaggregated analytical review procedures, which covers a significant portion of the Group's smaller and lower risk components that were not directly included in our Group audit scope.

The Parent Company financial statements are prepared in the corporate head office in Santiago, with oversight from the Group Financial Controller based in London, and are ultimately reviewed and approved by the Directors alongside the Group financial statements. The Parent Company financial statements were audited by the Group engagement team.

The impact of climate risk on our audit

In planning our work, including identifying areas of audit risk and determining an appropriate audit response, we were mindful of the increased focus on the impact of climate change risk on companies and their financial reporting, and also that the Group has identified climate change as a principal risk. As part of our audit, we made enquiries of management to understand its processes to assess the extent of the potential impact of climate change risks on the Group and its financial statements. This included consideration of the Group's Climate Change Strategy and specific targets to reduce Scope 1 and 2 emissions by 30% by 2025 relative to the 2020 baseline, to use electricity solely from renewable sources at its mining operations by the end of 2022, which management has confirmed it has now achieved, and, in the long-term, to achieve carbon neutrality.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Parent Company
Overall materiality	\$112 million (2021: \$108 million).	\$20 million (2021: \$26.5 million).
How we determined it	5% of the three year average of profit before tax adjusted for one-off items	1% of total assets
Rationale for benchmark applied	For overall Group materiality, we chose to use an underlying earnings measure as the benchmark because an underlying measure removes the impact of material items that do not recur from year to year or otherwise significantly affect the underlying trend of performance from continuing operations. The adoption of a multi-year average benchmark for materiality responds to longer term trends in commodity markets and reduces volatility in the measure year-on-year. Using our professional judgement, we determined materiality for this year at \$112 million, which equates to 6.9% of the current year's profit before tax adjusted for one-off items.	For the Parent Company materiality, we determined our materiality based on total assets, which is more relevant than a performance-related measure as the company is an investment holding company for the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between \$10 million and \$96 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to \$84 million (2021: \$81 million) for the Group financial statements and \$15 million (2021: \$19,875 million) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above \$5.6 million (Group audit) (2021: \$5.4 million) and \$1 million (Parent Company audit) (2021: \$1.3 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecasts and downside scenarios, checking that the forecasts had been subject to board review and, in the case of the base case, approval;
- Considering the historical reliability of management forecasting by comparing budgeted results with actual performance;
- Assessing the future cash flows included in the base case to ensure that these were consistent with our understanding from work performed over other key accounting estimates in the financial statements such as the impairment indicator assessment;
- Performing our own sensitivity analysis to understand the impact of changes in cash flows and net debt on the resources available to the Group; and
- Reading management's paper to the Audit and Risk Committee in respect of going concern, and agreeing the forecasts set out in this paper to the underlying base case cash flow model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Parent Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' and CEO's remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Parent Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of environmental regulations, health and safety regulations, and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax law in the jurisdictions in which the Group operates. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Inquiries with management, including the Group's Vice President of Legal and the Head of Internal Audit, regarding their consideration of known or suspected instances of non-compliance with laws and regulation;
- Obtaining legal letters from the Group's external legal advisers in respect of litigation and claims and other such matters, where considered necessary;
- Evaluation of the design of management's controls intended to prevent and detect irregularities, in particular their anti-bribery controls;
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with certain unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Parent Company financial statements and the part of the Directors' and CEO's remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 20 May 2015 to audit the financial statements for the year ended 31 December 2015 and subsequent financial periods. The period of total uninterrupted engagement is eight years, covering the years ended 31 December 2015 to 31 December 2022.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Simon Morley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 March 2023

Consolidated income statement

For the year ended 31 December 2022

	Note(s)	Excluding exceptional items 2022 \$m	Exceptional Items 2022 \$m	2022 \$m	Excluding exceptional items 2021 \$m	Exceptional Items 2021 \$m	2021 \$m
Group revenue	7	5,862.0	–	5,862.0	7,470.1	–	7,470.1
Total operating costs		(4,227.7)	–	(4,227.7)	(3,891.1)	(177.6)	(4,068.7)
Operating profit from subsidiaries	8	1,634.3	–	1,634.3	3,579.0	(177.6)	3,401.4
Net share of results from associates and joint ventures	18	48.1	–	48.1	59.7	–	59.7
Gain on disposal of investment in joint venture		–	944.7	944.7	–	–	–
Operating profit from subsidiaries, and total profit from associates and joint ventures	8	1,682.4	944.7	2,627.1	3,638.7	(177.6)	3,461.1
Investment income		40.2	–	40.2	5.0	–	5.0
Interest expense		(78.6)	–	(78.6)	(63.4)	–	(63.4)
Other finance items		(29.8)	–	(29.8)	74.4	–	74.4
Net finance (expense)/income	10	(68.2)	–	(68.2)	16.0	–	16.0
Profit before tax		1,614.2	944.7	2,558.9	3,654.7	(177.6)	3,477.1
Income tax expense	11	(603.6)	–	(603.6)	(1,332.9)	90.6	(1,242.3)
Profit from continuing operations		1,010.6	944.7	1,955.3	2,321.8	(87.0)	2,234.8
Profit for the year		1,010.6	944.7	1,955.3	2,321.8	(87.0)	2,234.8
Attributable to:							
Non-controlling interests	31	422.3	–	422.3	917.4	27.2	944.6
Owners of the parent	12	588.3	944.7	1,533.0	1,404.4	(114.2)	1,290.2
		US cents	US cents	US cents	US cents	US cents	US cents
Basic earnings per share							
From continuing operations	12	59.7	95.8	155.5	142.5	(11.6)	130.9

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Note(s)	2022 \$m	2021 \$m
Profit for the year		1,955.3	2,234.8
<i>Items that may be or were subsequently reclassified to profit or loss:</i>			
Losses on cash flow hedges		–	(90.9)
Losses in fair value of cash flow hedges transferred to the income statement		–	126.8
Currency translation adjustment		(0.4)	(1.6)
Tax relating to these items		–	(4.4)
Total items that may be or were subsequently reclassified to profit or loss		(0.4)	29.9
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Actuarial (losses)/gains on defined benefit plans	27	(18.1)	3.1
Gains/(losses) in fair value of equity investments	19	15.8	(2.1)
Tax relating to these items		5.7	(2.5)
Total items that will not be subsequently reclassified to profit or loss		3.4	(1.5)
Total other comprehensive income		3.0	28.4
Total comprehensive income for the year		1,958.3	2,263.2
Attributable to:			
Non-controlling interests	31	418.1	952.8
Owners of the parent		1,540.2	1,310.4

	2022 \$m	2021 \$m
Total comprehensive income for the year - continuing operations	1,958.3	2,263.2
	1,958.3	2,263.2

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital \$m	Share premium \$m	Other reserves (Note 30) \$m	Retained earnings (Note 30) \$m	Equity attributable to owners of the parent \$m	Non-controlling interests \$m	Total equity \$m
At 1 January 2021	89.8	199.2	(30.6)	7,492.2	7,750.6	2,330.5	10,081.1
Profit for the year	–	–	–	1,290.2	1,290.2	944.6	2,234.8
Other comprehensive income for the year	–	–	20.2	–	20.2	8.2	28.4
Total comprehensive income for the year	–	–	20.2	1,290.2	1,310.4	952.8	2,263.2
Dividends	–	–	–	(710.8)	(710.8)	(604.5)	(1,315.3)
At 31 December 2021	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)
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

As at 31 December 2022

	Note(s)	2022 \$m	2021 \$m
Non-current assets			
Intangible assets	14	–	–
Property, plant and equipment	15	11,543.5	10,538.5
Other non-current assets		1.1	1.3
Inventories	20	347.0	270.4
Investment in associates and joint ventures	18	904.6	905.8
Trade and other receivables	21	51.0	51.2
Equity investments	19	90.5	8.7
Deferred tax assets	28	78.5	96.8
		13,016.2	11,872.7
Current assets			
Inventories	20	708.1	532.8
Trade and other receivables	21	2,087.2	1,146.1
Current tax assets		35.6	13.7
Liquid investments	22	1,580.8	2,969.7
Cash and cash equivalents	22	810.4	743.4
		5,222.1	5,405.7
Total assets		18,238.3	17,278.4
Current liabilities			
Short-term borrowings and other financial liabilities	23	(432.5)	(337.1)
Trade and other payables	24	(1,079.7)	(829.1)
Short-term decommissioning and restoration provisions	29	(33.2)	(33.8)
Current tax liabilities		(60.4)	(374.2)
		(1,605.8)	(1,574.2)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	23	(2,844.5)	(2,835.5)
Trade and other payables	24	(8.0)	(16.8)
Liabilities in relation to joint ventures	18	–	(0.6)
Post-employment benefit obligations	27	(137.3)	(107.5)
Decommissioning and restoration provisions	29	(455.0)	(302.3)
Deferred tax liabilities	28	(1,543.3)	(1,412.5)
		(4,988.1)	(4,675.2)
Total liabilities		(6,593.9)	(6,249.4)
Net assets		11,644.4	11,029.0
Equity			
Share capital	30	89.8	89.8
Share premium	30	199.2	199.2
Other reserves	30	5.0	(10.4)
Retained earnings	30	8,333.5	8,071.6
Equity attributable to owners of the parent		8,627.5	8,350.2
Non-controlling interests	31	3,016.9	2,678.8
Total equity		11,644.4	11,029.0

The financial statements on pages 181 to 233 were approved by the Board of Directors on 23 March 2023 and signed on its behalf by

Jean-Paul Luksic Tony Jensen

Chairman Senior Independent Director

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Note(s)	2022 \$m	2021 \$m
Cash flow from continuing operations	32	2,738.3	4,507.7
Interest paid		(74.3)	(60.7)
Income tax paid		(787.1)	(776.9)
Net cash from operating activities		1,876.9	3,670.1
Investing activities			
Capital contributions to associates and joint ventures	18	–	(33.5)
Dividends from associates and joint ventures	18	50.0	142.5
Acquisition of mining properties		–	(4.5)
Acquisition of equity investments	19	(66.5)	–
Proceeds from sale of property, plant and equipment		0.2	1.5
Purchases of property, plant and equipment		(1,879.2)	(1,773.0)
Net decrease/(increase) in liquid investments	22	1,388.9	(543.7)
Interest received		29.1	7.4
Net cash used in investing activities		(477.5)	(2,203.3)
Financing activities			
Dividends paid to owners of the parent	13	(1,262.9)	(710.8)
Dividends paid to preference shareholders of the Company	13	(0.1)	(0.1)
Dividends paid to non-controlling interests	31	(80.0)	(604.5)
Proceeds from issue of new borrowings	32	865.9	149.1
Repayments of borrowings	32	(751.3)	(694.7)
Principal elements of lease payments	32	(105.4)	(88.9)
Net cash used in financing activities		(1,333.8)	(1,949.9)
Net increase/(decrease) in cash and cash equivalents		65.6	(483.1)
Cash and cash equivalents at beginning of the year		743.4	1,246.8
Net increase/(decrease) in cash and cash equivalents	32	65.6	(483.1)
Effect of foreign exchange rate changes	32	1.4	(20.3)
Cash and cash equivalents at end of the year	22,32	810.4	743.4

Notes to the financial statements

1 Basis of preparation

The consolidated financial statements of the Antofagasta plc Group have been 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 financial statements have been prepared on the going concern basis.

Going concern

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2024.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Strategic Report, and in particular within the Operating Review. 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 statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 22, and details of borrowings are set out in Note 23.

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 2022, with combined cash, cash equivalents and liquid investments of \$2,391.2 million. Total borrowings were \$3,277.0 million, resulting in a net debt position of \$885.8 million. Of the total borrowings, only 13% is repayable within one year, and 17% 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. This analysis has focused on the existing asset base of the Group, without factoring in potential development projects, which is considered appropriate for an assessment of the Group's ability to manage the impact of a depressed economic environment. The analysis has only included the draw-down of existing committed borrowing facilities, and has not assumed that any new borrowing facilities will be put in place. 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, assessing the standalone impact of each of:

- A significant deterioration in the future copper price forecasts by 20% 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 deterioration of 20% in the copper price throughout the review period.
- The potential impact of the Group's most significant individual operational risks.
- A shut-down of any one of the Group's operations for a period of three months.
- Potential changes to the Chilean mining royalty, taking into account the Group's existing tax stability agreements.

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 and viability, 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 2024. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Company structure

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ. The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

The nature of the Group's operations is mining and exploration activities and the transport of rail and road cargo.

A) Adoption of new accounting standards

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

- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

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.

The amendment to IAS 16 Property, Plant and Equipment – Proceeds before intended use may have significant impacts for the Group in future periods. Previously, the Group has deducted amounts received from the sale of products during the initial ramp-up of new projects, before commercial production is achieved, from the capital cost of the project. Under the amendment to IAS 16, such amounts will now instead be recognised as revenue in the income statement along with a corresponding allocation of related operating expenses, which is likely to result in increased revenue and operating expenses and a higher initial capitalised amount. There were no relevant projects impacted by the amendment during 2022. The amendment would apply retrospectively only to relevant projects in progress at 1 January 2021 which were generating proceeds, and there were no such projects at 1 January 2021.

1 Basis of preparation *continued*

B) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, 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 (after 1 January, 2023). None of these standards are expected to have a significant impact on the Group.

- 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

The following standards are effective after 1 January, 2024 (and subject to UK endorsement):

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

2 Principal accounting policies

A) Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the use of fair values to measure certain financial instruments, principally provisionally priced sales as explained in Note 2(F) and financial derivative contracts as explained in Note 2(W).

B) Basis of consolidation

The financial statements comprise the consolidated financial statements of Antofagasta plc ("the Company" or "the Parent" or "the Parent Company") and its subsidiaries (collectively "the Group").

Subsidiaries – A subsidiary is an entity over which the Group has control, which is the case when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany balances and transactions. For partly-owned subsidiaries, the net assets and profit attributable to non-controlling shareholders are presented as "Non-controlling interests" in the consolidated balance sheet and consolidated income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (ie reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Acquisitions and disposals are treated as explained in Note 2(G) relating to business combinations and goodwill.

C) Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through the power to participate in the financial and operating policy decisions of that entity. The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

This requires recording the investment initially at cost to the Group and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associate's results less any impairment and any other changes to the associate's net assets such as dividends. When the Group loses control of a former subsidiary but retains an investment in associate in that entity, the initial carrying value of the investment in associate is recorded at its fair value at that point. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

D) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are accounted for depending on the nature of the arrangement.

- Joint ventures** – are accounted for using the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures as described in Note 18.
- Joint operations** – are accounted for recognising directly the assets, obligations, revenues and expenses of the joint operator in the joint arrangement. The assets, liabilities, revenues and expenses are accounted for in accordance with the relevant IFRS.

When a Group entity transacts with its joint arrangements, profits and losses resulting from the transactions with the joint arrangements are recognised in the Group's consolidated financial statements only to the extent of interests in the joint arrangements that are not related to the Group.

E) Currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated at year end exchange rates. Gains and losses on retranslation are included in net profit or loss for the period within other finance items.

The presentational currency of the Group and the functional currency of the Company is the US dollar. On consolidation, income statement items for entities with a functional currency other than the US dollar are translated into US dollars at average rates of exchange. Balance sheet items are translated at period-end exchange rates. Exchange differences on translation of the net assets of such entities are taken to equity and recorded in a separate currency translation reserve. Cumulative translation differences arising after the transition date to IFRS are recognised as income or as expenses in the income statement in the period in which an operation is disposed of.

On consolidation, exchange gains and losses which arise on balances between Group entities are taken to reserves where that balance is, in substance, part of the net investment in a foreign operation, ie where settlement is neither planned nor likely to occur in the foreseeable future. All other exchange gains and losses on Group balances are recognised in the income statement within other finance items.

Fair value adjustments and any goodwill arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the period-end rate.

F) Revenue recognition and other income

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable, and excludes any applicable sales tax.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

For the Group's mining products, the customer generally gains control over the material when it has been loaded at the port of loading, and so this is the point of revenue recognition. 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. In these cases the customer still gains control over the material when it has been loaded at the port of loading, and so that remains the point of revenue recognition for the sale of material; however, the shipping service represents a separate performance obligation, and revenue in relation to such services is recognised separately from the sale of the material over time as the shipping service is provided, along with the associated costs. Shipment revenue is recognised at the contracted price to the Group as this reflects the standalone selling price.

Revenue from mining activities is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date, as explained below. For copper and molybdenum concentrates, 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 charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. Revenue includes amounts from the sale of by-products such as gold and silver.

Copper and molybdenum concentrate sale agreements and copper cathode sale agreements generally provide for provisional pricing of sales at the time of shipment, with final pricing based on the monthly average London Metal Exchange ("LME") copper price or the monthly average market molybdenum price for specified future periods. This normally ranges from one to four months after delivery to the customer. For sales contracts which contain provisional pricing mechanisms, the initial invoice typically reflects the month-average market price for the metal in the month of shipment, with the associated receivable balance subsequently measured at fair value through profit or loss. Gains and losses from the marking-to market of the receivable balance in relation to open sales are recognised through adjustments to other income presented within revenue in the income statement and to trade receivables in the balance sheet. The fair value calculations are based on forward prices at the period end for copper concentrate and cathode sales, and period-end average prices for molybdenum concentrate sales due to the absence of a futures market for this product.

For the Transport division, revenue in respect of its transportation and ancillary services are recognised over time in line with the performance of those services.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest received is recognised within investing activities in the consolidated cash flow statement.

Dividend income

Dividend income from equity investments, associates and joint ventures is recognised when the shareholders' right to receive payment has been established. For associates and joint ventures, it is recorded as a decrease of the investment.

G) Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The results of businesses acquired during the year are brought into the consolidated financial statements from the effective date of acquisition. The identifiable assets, liabilities and contingent liabilities of a business, which can be measured reliably, are recorded at their provisional fair values at the date of acquisition. Provisional fair values are finalised within 12 months of the acquisition date. Acquisition-related costs are expensed as incurred.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2 Principal accounting policies *continued*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as "measurement period" adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (ie the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances which existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising in a business combination is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net identifiable assets acquired and liabilities assumed. Any goodwill on the acquisition of subsidiaries is separately disclosed, while any goodwill on the acquisition of associates and joint ventures is included within investments in equity accounted entities. Internally generated goodwill is not recognised. Where the fair values of the identifiable net assets acquired exceed the sum of the consideration transferred, the surplus is credited to the profit or loss in the period of acquisition as a bargain purchase gain.

The Group sometimes enters into earn-in arrangements whereby the Group acquires an interest in a project company in exchange for funding exploration and evaluation expenditure up to a specified level of expenditure or a specified stage in the life of the project. Funding is usually conditional on the achievement of key milestones by the partner. Typically there is no consideration transferred or funding liability on the effective date of acquisition of the interest in the project company and no goodwill is recognised on this type of transaction.

The results of businesses sold during the year are included in the consolidated financial statements for the period up to the effective date of disposal. Gains or losses on disposal are calculated as the difference between the sales' proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the income statement as a discontinued operation.

H) Exploration and evaluation expenditure

Exploration and evaluation costs, other than those incurred in acquiring exploration licences, are expensed in the year in which they are incurred. When a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved) all further directly attributable pre-production expenditure is capitalised. Capitalisation of pre-production expenditure ceases when commercial levels of production are achieved.

Costs incurred in acquiring exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

I) Stripping costs

Pre-stripping and operating stripping costs are incurred in the course of the development and operation of open-pit mining operations.

Pre-stripping costs relate to the removal of waste material as part of the initial development of an open-pit, in order to allow access to the ore body. The capitalised costs are depreciated once production commences on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves for that pit at the beginning of the year.

Operating stripping costs relate to the costs of extracting waste material as part of the ongoing mining process. The ongoing mining and development of the Group's open-pit mines is generally performed via a succession of individual phases. The costs of extracting material from an open-pit mine are generally allocated between ore and waste stripping in proportion to the tonnes of material extracted. The waste stripping costs are generally absorbed into inventory and expensed as that inventory is processed and sold. Where the stripping costs relate to a significant stripping campaign which is expected to provide improved access to an identifiable component of the ore body (typically an individual phase within the overall mine plan), the costs of removing waste in order to improve access to that part of the ore body will be capitalised within property, plant and equipment. The capitalised costs will then be amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates.

J) Intangible assets

Exploration and mining licences are classified as intangible assets when construction of the related mining operation has not yet commenced. When construction commences, the licences are transferred from intangible assets to the mining properties category within property, plant and equipment.

K) Property, plant and equipment

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment in the year in which they are incurred, when a mining project is considered to be commercially viable (normally when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved). The cost of property, plant and equipment comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Once a project has been established as commercially viable, related development expenditure is capitalised. This includes costs incurred in preparing the site for mining operations, including pre-stripping costs. Capitalisation ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Interest on borrowings related to the construction or development of projects is capitalised as part of the cost of the asset. To the extent that borrowings have been put in place specifically to fund the construction of the asset, the capitalised amount will reflect the actual interest costs incurred on that borrowing. If the construction is funded out of general borrowings, the capitalised interest expense will be calculated based on the entity's weighted average interest rate, applied to the expenditure on the asset (with the capitalised interest amount not exceeding the entity's total borrowing cost for the period). The interest costs are capitalised, until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production.

L) Depreciation of property, plant and equipment

Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended.

Property, plant and equipment is depreciated over its useful life, or over the remaining life of the operation if shorter, to residual value. The major categories of property, plant and equipment are depreciated as follows:

- (i) **Land** – freehold land is not depreciated unless the value of the land is considered to relate directly to a particular mining operation, in which case the land is depreciated on a straight-line basis over the expected mine life.
- (ii) **Mining properties** – mining properties, including capitalised financing costs, are depreciated on a unit of production basis, in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.
- (iii) **Buildings and infrastructure** – straight-line basis over 10 to 25 years.
- (iv) **Railway track** (including trackside equipment) – straight-line basis over 20 to 25 years.
- (v) **Wagons and rolling stock** – straight-line basis over 10 to 20 years.
- (vi) **Machinery, equipment and other assets** – are depreciated on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis over 5 to 20 years.
- (vii) **Assets under construction** – no depreciation until asset is available for use.
- (viii) **Lease right-of-use assets** – depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.
- (ix) **Stripping cost** – capitalised costs are amortised on a unit of production basis, in proportion to the volume of ore extracted compared with the total ore contained in the component of the pit to which the stripping campaign relates (Note 15).

Residual values and useful lives are reviewed, and adjusted if appropriate, at least annually, and changes to residual values and useful lives are accounted for prospectively.

M) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets relating to exploration and mining licences are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. In respect of historical impairments recognised in prior years, the Group assesses whether there is any indication that impairment may no longer exist or may have decreased.

If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment or reversal (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. The estimates used in determining the present value of those cash flows are those that an independent market participant would consider appropriate. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation, as realisation of the full potential of the Group's

mining operations typically requires further capital expenditure and ongoing mine development, and accordingly the Group typically applies this valuation estimate in its impairment assessments, unless indicated otherwise. Details of the valuations and sensitivities of the Group's mining operations considered as part of the impairment trigger assessment are included in Note 5.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. An impairment charge is recognised in the income statement immediately. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying value that would have been determined if no impairment had previously been recognised after taking into account the depreciation and/or amortisation that would otherwise have been recorded in the intervening period. A reversal is recognised in the income statement immediately.

N) Inventory

Inventory consists of raw materials and consumables, work-in-progress and finished goods. Work-in-progress represents material that is in the process of being converted into finished goods. The conversion process for mining operations depends on the nature of the copper ore. For sulphide ores, processing typically includes milling and concentrating, resulting in the production of copper concentrate. For oxide ores, processing includes leaching of stockpiles, solvent extraction and electrowinning and results in the production of copper cathodes. Finished goods consist of copper concentrate containing gold and silver at Los Pelambres and Centinela and copper cathodes at Centinela and Antucoya. Los Pelambres and Centinela also produce molybdenum as a by-product.

Inventory is valued at the lower of cost, on a weighted average basis, and net realisable value. Net realisable value represents estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost of finished goods and work-in-progress is production cost and for raw materials and consumables it is purchase price. Production cost includes:

- labour costs, raw material costs and other costs directly attributable to the extraction and processing of ore,
- depreciation of plant, equipment and mining properties directly involved in the production process, and
- an appropriate allocation of production overheads.

Stockpiles represent ore that is extracted and is available for further processing. Costs directly attributable to the extraction of ore are generally allocated as part of production costs in proportion to the tonnes of material extracted. Operating stripping costs are generally absorbed into inventory, and therefore expensed as that inventory is processed and sold. If ore is not expected to be processed within 12 months of the balance sheet date it is included within non-current assets. If there is significant uncertainty as to when any stockpiled ore will be processed it is expensed as incurred.

2 Principal accounting policies *continued*

O) Taxation

Tax expense comprises the charges or credits for the year relating to both current and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the income statement because it excludes items of income or expense that are taxable and deductible in different years and also excludes items that are not taxable or deductible. The liability for current tax is calculated using tax rates for each entity in the consolidated financial statements which have been enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences (ie differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit). Deferred tax is accounted for using the balance sheet liability method and is provided on all temporary differences with certain limited exceptions as follows:

- (i) tax payable on undistributed earnings of subsidiaries, associates and joint ventures is provided except where the Group is able to control the remittance of profits and it is probable that there will be no remittance of past profits earned in the foreseeable future,
- (ii) deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; nor is deferred tax provided on subsequent changes in the carrying value of such assets and liabilities, for example where they are depreciated, and
- (iii) the initial recognition of any goodwill.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

P) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Q) Provisions for decommissioning and restoration costs

Obligations to incur decommissioning and restoration costs can arise as a result of the development or ongoing operation of a mining property. Costs are estimated on the basis of a formal closure plan and are subject to regular formal review.

Decommissioning obligations arising from the construction of property, plant and equipment (including installation of plant and site preparation work) are provided for at their net present value as the construction of the asset gives rise to the obligation, and included within the property, plant and equipment cost. These decommissioning costs are charged against profit or loss over the life of the mine, through depreciation of the property, plant and equipment balance (recorded within operating expenses). The unwinding of the discount on the provision is recorded within other finance items. Changes in the measurement of a decommissioning provision are added to, or deducted from, the property, plant and equipment balance in the current year.

Restoration obligations, arising from ongoing operating activities, are provided for at their net present values and charged against operating expenses as the obligation arises. Changes in the measurement of a restoration provision which, relate to a change in the estimate of the closure costs or a change in the discount rate, are charged against operating expenses, and changes relating to foreign exchange are recorded within other finance items.

R) Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. The Group currently does not have any equity settled share-based payments to employees or third parties.

S) Post-employment benefits

The Group operates defined contribution schemes for a limited number of employees. For such schemes, the amount charged to the income statement is the contributions paid or payable in the year.

Employment terms may also provide for payment of a severance indemnity when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated.

The obligation recognised in the balance sheet represents the present value of the severance indemnity obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

T) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

U) Liquid investments

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. These assets are designated as fair value through profit or loss, with the fair value movements recorded within investment income.

V) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

W) Other financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred the asset to another party. Financial liabilities are removed from the Group's balance sheet when they are extinguished – ie when the obligation specified in the contract has been discharged, cancelled or expired.

- Investments** – Equity investments which are not subsidiaries, associates or joint ventures are recognised at fair value. The Group generally applies an irrevocable election for each equity investment to designate them as Fair Value through Other Comprehensive Income (FVOCI). Dividends from equity investments are recognised in the income statement when the right to receive payment is established.
- Trade and other receivables** – As explained above, for sales contracts which contain provisional pricing mechanisms the total receivable balance is measured at fair value through profit or loss. Other receivable balances are recognised at amortised cost.

- Trade and other payables** – Trade and other payables are generally not interest-bearing and are normally stated at their nominal value.

- Borrowings (loans and preference shares)** – Interest-bearing loans and bank overdrafts are initially recorded at fair value which is typically equal to the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method. Amounts are either recorded as financing costs in profit or loss or capitalised in accordance with the accounting policy set out in Note 2(K). Finance charges are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Interest paid is recognised within operating activities in the consolidated cash flow statement.

The Sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified within borrowings and translated into US dollars at period-end rates of exchange. Preference share dividends are included within other finance items within net finance expense in the income statement.

- Equity instruments** – Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its Sterling-denominated issued ordinary share capital and related share premium. As explained in Note 2(E), the presentational currency of the Group and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.
- Derivative financial instruments** – As explained in Note 25(D), the Group periodically uses derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. The Group does not use such derivative instruments for trading purposes. The Group has applied the hedge accounting provisions of IFRS 9 Financial Instruments. The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as hedges of future cash flows have been recognised directly in equity, with such amounts subsequently recognised in profit or loss in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in profit or loss. Realised gains and losses on commodity derivatives recognised in profit or loss are recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining the appropriate classification and measurement. The treatment of embedded derivatives arising from provisionally priced commodity sales contracts is set out in further detail in Note 2(F) relating to revenue. Derivatives embedded in financial liabilities are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value. Changes in fair value are reported in profit or loss for the year.

2 Principal accounting policies *continued*

- (vii) **Impairment of financial assets** – The Group applies the forward-looking expected credit loss model to its financial assets, other than those measured at fair value through profit or loss. The Group applies the IFRS 9 “simplified approach” to its trade receivables, measuring the loss allowance at the lifetime expected credit loss. For other financial assets, where the credit risk has not increased significantly since initial recognition, the loss allowance is measured at the 12 month expected credit loss. If there has been a significant increase in credit risk, the loss allowance is measured at the lifetime expected credit loss. Increases or decreases to the credit loss allowance are recognised immediately in profit or loss.

X) 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 tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period.

Y) Rounding

All amounts disclosed in the financial statements and notes have been rounded to the nearest million dollars unless otherwise stated.

These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Critical accounting judgements and key sources of estimation uncertainty

Determining many of the amounts included in the financial statements involves the use of judgement and/or estimation. These judgements and estimates are based on management’s best knowledge of the relevant facts and circumstances having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimates is included in the principal accounting policies in Note 2 or the other notes to the financial statements, and the key areas are set out below.

A) Judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that have been made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Non-financial assets impairment

As explained in Note 2(M), the Group reviews the carrying value of its intangible assets and property, plant and equipment to determine whether there is any indication that those assets are impaired. In performing assessments for impairment triggers, assets that do not generate largely independent cash inflows are allocated to an appropriate cash generating unit (“CGU”). Details of the valuations and sensitivities of the Group’s mining operations considered as part of the impairment trigger assessment are included in Note 5, including quantitative sensitivity analyses. Details of the value of assets and liabilities for each of the mining operations are set out in Note 6.

When an impairment trigger is identified, an impairment test is performed, wherein the recoverable amount of those assets, or the CGU, is measured at the higher of their fair value less costs of disposal and value in use.

When an impairment test is performed, management necessarily applies its judgement in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the fair value less costs of disposal calculation. The key assumptions are set out in Note 2(M). Subsequent changes to CGU allocation, licensing status, reserves and resources, price assumptions or other estimates and assumptions in the fair value less costs of disposal calculation could impact the carrying value of the respective assets.

As explained in Note 5, based on an assessment of both qualitative and quantitative factors, 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 2022 year-end, and accordingly no impairment tests have been performed. However, whether or not an impairment indicator exists is a critical judgement, in particular as at 31 December 2022 for Zaldívar (given the ongoing permitting process and the other factors set out in note 5) and at Antucoya (given the impairments recognised in 2012 and 2016 and, therefore, the sensitivity of the asset’s value to movements in macroeconomic assumptions and other developments)

(ii) Capitalisation of project costs within property, plant and equipment

As explained in Note 2(K) the costs of developing mining properties are capitalised as property, plant and equipment when the mining project is considered to be commercially viable. Commercial viability is normally considered to be demonstrable when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved. Management reviews amounts capitalised to ensure that the treatment of that expenditure as capital rather than operating expenditure is reasonable, in particular in respect of the commercial viability of the project.

As at 31 December 2022, \$231 million (2021 – \$180 million) of feasibility study costs relating to the Centinela Second Concentrator project, which is still under evaluation and has not yet received final Board approval, were capitalised within property, plant and equipment. Should the Group ultimately take the decision not to proceed with the development of this project, then it is likely that the corresponding element of the capitalised feasibility study costs would need to be impaired.

B) Estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) **Deferred tax liabilities in respect of undistributed earnings of subsidiaries**

No deferred tax liability is recognised in respect of the undistributed earnings of subsidiaries where it is not likely that those profits will be distributed in the foreseeable future. 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 set out in Note 28, at 31 December 2022 deferred withholding tax liabilities of \$71.6 million have been recognised, 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 \$6,430.4 million (31 December 2021 – \$6,483.3 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 \$1,076.5 million (31 December 2021 – \$1,232.1 million), depending on the application of tax credits which may be available in particular circumstances.

(ii) **Disposal of investment in Tethyan joint venture**

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. As a result of those agreements:

- the Reko Diq project in Pakistan (the "Project") was reconstituted in Reko Diq Mining Company (Private Limited) ("RDMC"). RDMC is the Pakistani registered subsidiary of Tethyan Copper Company Pty Limited ("TCC"), which is itself the Australian registered subsidiary of Atacama Copper Pty Limited ("Atacama"), the joint venture company registered in Australia and owned equally by the Company and Barrick Gold Corporation ("Barrick");
- a consortium of various Pakistani state-owned enterprises acquired shares in RDMC which holds the Project (the "Sale"); and
- as the International Centre for Settlement of Investment Disputes ("ICSID") award (to TCC) was resolved by reconstituting the Project, TCC no longer has any rights or claims against the Governments of Pakistan and Balochistan arising from the suspension of the Project in 2011.

The proceeds of the Sale which, together with accrued interest up to 15 December 2022 totalled US\$946.0 million, are currently held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick have agreed that the proceeds of this account, including all further interest received, less any Australian tax arising, will be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama is seeking a binding private ruling to confirm that the Sale proceeds and their distribution to the Antofagasta Group will not be subject to Australian tax. The Australian corporate tax rate is 30%. Although Antofagasta will retain its shareholding in Atacama until the proceeds have been distributed, it no longer has any appointees on the board of the joint venture, is not entitled to exercise voting rights in Atacama, and is not required to provide any funding to, or permitted to receive any distributions from, Atacama other than the Sale proceeds. Antofagasta has therefore ceased to have an economic interest in Atacama and its subsidiaries as of 15 December 2022 other than being entitled from that date to receive an amount equal to the Sale proceeds and related interest less any Australian tax arising (whether before or after the distribution). Accordingly, Antofagasta has recognised a gain on disposal of its investment in the joint

venture as at 15 December 2022 of \$944.7 million, reflecting the estimate of the Sale proceeds and related interest, working capital and other adjustments and the carrying value of the investment at that date. A receivable balance of \$943.3 million in respect of the estimated proceeds due to Antofagasta has been recognised within Trade and other receivables in the balance sheet.

In addition to the above estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, we have also set out the following additional estimates and assumptions which have a significant impact on the financial statements, but which are not considered to be key sources of estimation uncertainty as defined in IAS 1.

(i) **Inventory valuation**

The valuation of work in progress inventories involves a number of estimates, including the average ore grade, volume and density of ore stockpiles, and the recoveries in respect of material on the leach piles. Evaluating the net realisable value of the inventories also requires an estimate of the likely future copper price for the periods when it is expected that the inventories will be completed and sold. As set out in Note 20, the value of work in progress inventories at 31 December 2022 was \$751.9 million.

If the copper spot price at 31 December 2022 (used for forecasting the likely sales price of short-term inventories) had been 10% lower, this would not have resulted in any net realisable value provision.

The valuation of leachpile inventories can be particularly complex, given the required estimates including in respect of the total recoveries and the speed of recovery in relation to the material on the piles. This is particularly the case with leachpiles with a long leaching cycle, where material may remain on the pile for several years before it has been fully leached. The operation with the most significant long-term leachpile inventory is Zaldívar, with a long-term leachpile with a value of approximately \$130 million (on a 50% attributable basis) at 31 December 2022. This balance is forecast to be consumed over the operation's remaining 14 year mine life and its recoverability is based on the same assumptions about future operational considerations as detailed in note 5. As a simple, high-level sensitivity if this balance were reduced by 10% (due to changes in recovery estimates for example), this would result in a reduction in Zaldívar's inventory balance of approximately \$13 million (on a 50% attributable basis).

(ii) **Useful economic lives of property, plant and equipment and ore reserves estimates**

As explained in Note 2(L), mining properties, including capitalised financing costs, are depreciated in proportion to the volume of ore extracted in the year compared with total proven and probable reserves at the beginning of the year.

There are numerous uncertainties inherent in estimating ore reserves, and assumptions that were valid at the time of estimation may change when new information becomes available. These include assumptions as to grade estimates and cut-off grades, recovery rates, commodity prices, exchange rates, production costs, capital costs, processing and reclamation costs and discount rates. The actual volume of ore extracted and any changes in these assumptions could affect prospective depreciation rates and carrying values.

3 Critical accounting judgements and key sources of estimation uncertainty *continued*

Other items of property, plant and equipment are depreciated over their useful economic lives, on a unit of production basis, in proportion to the volume of ore/material processed or hours of equipment usage, or on a straight-line basis. Management reviews the appropriateness of useful economic lives at least annually and, again, any changes could affect prospective depreciation rates and asset carrying values.

The operation with the most significant depreciation expense is Centinela, with a depreciation expense of \$710 million in 2022, representing approximately 60% of the total Group depreciation charge. As a simple high-level sensitivity, a 10% adjustment to the useful economic lives of Centinela's property, plant and equipment would result in an impact of approximately \$71 million on the annual depreciation charge.

(iii) Provisions for decommissioning and site restoration costs

As explained in Note 2(Q), provision is made, based on net present values, for decommissioning and site rehabilitation costs as soon as the obligation arises following the development or ongoing production of a mining property. The provision is based on a closure plan prepared with the assistance of external consultants.

Management uses its judgement and experience to provide for and (in the case of capitalised decommissioning costs) amortise these estimated costs over the life of the mine. The ultimate cost of decommissioning and site rehabilitation is uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites.

The expected timing and extent of expenditure can also change, for example in response to changes in ore reserves or processing levels. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Details of the decommissioning and restoration provisions are set out in Note 29. The total value of these provisions as at 31 December 2022 was \$488.2 million. As a simple high-level sensitivity, a 10% increase in the forecast closure costs would increase the provision balance by approximately \$49 million, the capitalised decommissioning costs asset within property, plant and equipment by approximately \$17 million and the ongoing annual operating expenses by approximately \$2 million.

(iv) Deferred tax assets in respect of tax losses

As explained in Note 2(O), deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Group considers whether the relevant Group entity has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

Generally under Chilean tax law most tax losses can be carried forward indefinitely, and so the expiry of tax losses is not typically an issue. The key assumptions to which the forecasts of the probable level of future taxable profits are most sensitive are future commodity prices, production levels and operating costs.

As set out in Note 28, the Group has recognised \$78.5 million of net deferred tax assets as at 31 December 2022, relating to tax losses, provisions and short-term timing differences. The deferred tax position includes \$79.7 million (2021 – \$90.6 million) of deferred tax assets in respect of tax losses available for offset against future profits. These losses may be carried forward indefinitely.

4 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 tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period. 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.

2022 – Disposal of investment in Tethyan joint venture

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. As a result, Antofagasta has 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 17.

2021 – Impairment of Twin Metals' assets

Twin Metals Minnesota ("Twin Metals") is a wholly owned copper, nickel and platinum group metals (PGM) underground mining project, which holds copper, nickel, cobalt-PGM deposits in north-eastern Minnesota, US. In recent years, Twin Metals has been progressing its Mine Plan of Operations (MPO) and Scoping Environmental Assessment Worksheet Data Submittal, submitted in December 2019 to the US Bureau of Land Management (BLM) and Minnesota Department of Natural Resources (DNR), respectively. However, while the Twin Metals project was advancing through environmental review, several actions were taken by the federal government that have changed the potential scenarios for the project.

In September 2021, the United States Forest Service (USFS) submitted an application to withdraw approximately 225,000 acres of land in the Superior National Forest from the scope of federal mineral leasing laws, subject to valid existing rights. In October 2021, the United States Bureau of Land Management (BLM) rejected Twin Metals' Preference Right Lease Applications (PRLAs) and Prospecting Permit Applications (PPAs). In January 2022, the United States Department of the Interior cancelled Twin Metals' MNES-1352 and MNES-1353 federal mineral leases. The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals' current project plan and, accordingly, it was determined that these events collectively represented an impairment trigger as at the 2021 balance sheet date.

Prior to the resulting impairment assessment being performed, as at 31 December 2021, the Group had recognised an intangible asset of \$150.1 million and property, plant and equipment of \$27.5 million relating to the Twin Metals project. The intangible asset arose upon the acquisition in 2015 of Duluth Metals, which owned a 60% stake in the Twin Metals project, with the carrying value of the intangible asset reflecting the consideration paid for that acquisition. The property, plant and equipment balances reflected the historical cost of acquiring those assets. These carrying values prior to the impairment did not, therefore, reflect an estimate of the commercial potential of the project as at 31 December 2021.

The Group believes that Twin Metals has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group intends to pursue validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, an impairment was recognised as at 31 December 2021 in respect of the \$177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project.

2021 – Recognition of previously unrecognised deferred tax assets

At 31 December 2021, the Group recognised \$90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, reflecting the improved actual and forecast profitability of the relevant Group entity (Antucoya).

5 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 2022 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 as adjusted for certain assumptions (including potential future development opportunities) ("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 Zaldivar 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 \$3.50/lb (reflecting 2022 real terms) has been used in the models used in the impairment indicator assessment, which has increased from \$3.30/lb (reflecting 2021 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 \$3.15/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 valuation indicated a potential deficit of \$400 million and the Zaldivar valuation indicated a 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\$850/\$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\$770/\$1 used in 2021. As an additional down-side sensitivity an indicative valuation was prepared with a 10% stronger long-term Chilean peso exchange rate assumption. Los Pelambres and Centinela still showed positive headroom in this alternative down-side scenario. However, the Antucoya valuation indicated a potential deficit of \$140 million and the Zaldivar valuation indicated a potential deficit of \$100 million (on a 50% basis). 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.

Climate risks

The models incorporate estimates of the potential future costs relating to climate risks. 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. The combined estimate of the potential costs of the transition risk and physical risk scenarios, have been incorporated into the models.

Chilean mining royalty

We have considered potential changes to the Chilean mining royalty (taking into account the Group's existing tax stability agreements) as part of the impairment indicator assessment.

Other relevant assumptions

In addition to the impact of the future copper price the US dollar/Chilean peso exchange rate, climate risks and the potential changes in the Chilean royalty regime, the models used in the impairment indicator assessment are sensitive to the assumptions in respect of future production levels, operating costs, sustaining and development capital expenditure, and the discount rate used to determine the present value of the future cash flows.

A real post-tax discount rate of 8% (calculated using relevant market data) has been used in determining the present value of the changes in forecast future cash flows from the assets as part of the quantitative analysis performed as part of the overall impairment indicator assessment.

5 Asset sensitivities *continued*

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:

- Zaldívar submitted an Environmental Impact Assessment (EIA) in 2018 which included an application to extend its water extraction and mining permits to 2029 (with decreasing activity levels in 2030-2031). Currently, Zaldívar is permitted to extract water and mine into 2025 and 2024, respectively. To ensure the continuity of the operation, in March 2023 Zaldívar submitted a DIA (Declaration of Environmental Impact), a more limited scope and simplified procedure than an EIA, requesting that the mining permit be extended from 2024 to 2025 so as to expire at the same date as the current water permit. At the same time Zaldívar withdrew the 2018 EIA application. It is expected that an alternative and updated EIA application to extend the water and mining permits beyond 2025 will be submitted which will also include a plan for a transition from the current continental water source on completion of the extended water permit, to either procuring water from a third party or using raw sea water. The impairment indicator assessment assumes that the mining permit will be extended to cover the full period of the model, and the water permit can be extended, or reasonable alternative arrangements for securing water to enable the continued operation of the mine without interruption can be implemented. 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 (a road, railway, power line and pipelines). The impairment indicator assessment assumes that mining of the final pit phase, which is subject to agreements or easements to access these areas and relocate this infrastructure, will be possible.

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

Fair value less costs of disposal and value in use valuations

If a full IAS 36 impairment test were to be prepared, which was not the case as at 31 December 2022, the recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal reflects the net amount the Group would receive from the sale of the asset in an orderly transaction between market participants. For mining assets, this would generally be determined based on the present value of the estimated future cash flows arising from the continued use, further development or eventual disposal of the asset. Value in use reflects the expected present value of the future cash flows which the Group would generate through the operation of the asset in its current condition, without taking into account potential enhancements or further development of the asset. The fair value less costs of disposal valuation will normally be higher than the value in use valuation for mining companies, and accordingly the Group typically applies this valuation estimate in its impairment or valuation assessments.

Indicators of potential reversal of previous impairments

Antucoya recognised impairments totalling \$716 million in 2012 and 2016. Of the original impairment amounts, approximately \$434 million remains in effect unamortised as at 31 December 2022. Based on an assessment of both qualitative and quantitative factors, there were no indicators of a potential reversal of these previous impairments at the 2022 year-end. As noted above, the indicative valuation exercise for Antucoya at the 2022 year-end indicated positive headroom for Antucoya. However, the headroom position is relatively marginal – the down-side sensitivity reflecting a 10% reduction in the long-term copper price resulted in a potential deficit of \$400 million; the sensitivity using a 10% stronger long-term Chilean peso exchange rate assumption indicated a potential deficit of \$140 million. Given this marginal headroom position, reasonably possible changes in the general market environment or the regulatory and taxation environment in Chile could result in a potential deficit position for Antucoya and hence it was concluded that there was no impairment reversal trigger as at 31 December 2022.

6 Segment information

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 containing gold and silver as a by-product, and molybdenum concentrate. Centinela produces copper concentrate containing gold and silver as a by-product, molybdenum concentrates and copper cathodes. Antucoya and Zaldívar produce copper cathodes. The Transport division provides rail cargo 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 the Company, Antofagasta Minerals SA, 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 December 2022

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and evaluation ² \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	2,558.9	2,406.2	703.5	–	–	–	5,668.6	193.4	5,862.0
Operating cost excluding depreciation and loss on disposals	(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 ventures ³	–	–	–	–	–	944.7	944.7	–	944.7
Total profit from operations, 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/(losses) attributable to the owners of the parent	507.3	217.0	75.4	47.3	(113.0)	770.6	1,504.6	28.4	1,533.0
EBITDA¹	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
Investment 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 (Refer to the Alternative Performance Measures section on page 238).

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 (see notes 3, 4 and 17)

6 Segment information *continued*

For the year ended 31 December 2021

	Los Pelambres \$m	Centinela \$m	Antucoya \$m	Zaldivar \$m	Exploration and evaluation ² \$m	Corporate and other items \$m	Mining \$m	Transport division \$m	Total \$m
Revenue	3,621.0	2,981.3	697.8	–	–	–	7,300.1	170.0	7,470.1
Operating cost excluding depreciation and loss on disposals	(1,095.0)	(1,062.0)	(360.7)	–	(103.2)	(76.0)	(2,696.9)	(106.3)	(2,803.2)
Depreciation	(281.8)	(654.7)	(98.3)	–	–	(13.0)	(1,047.8)	(30.9)	(1,078.7)
Loss on disposals	(3.7)	(4.0)	(0.5)	–	–	–	(8.2)	(1.0)	(9.2)
Provision against the carrying value of assets ⁴	–	–	–	–	(177.6)	–	(177.6)	–	(177.6)
Operating profit/(loss)	2,240.5	1,260.6	238.3	–	(280.8)	(89.0)	3,369.6	31.8	3,401.4
Net share of results from associates and joint ventures	–	–	–	68.5	–	(9.0)	59.5	0.2	59.7
Investment income	1.4	1.5	0.3	–	–	1.7	4.9	0.1	5.0
Interest expense	(3.5)	(16.4)	(15.5)	–	–	(27.2)	(62.6)	(0.8)	(63.4)
Other finance items	41.1	26.1	4.9	–	–	5.1	77.2	(2.8)	74.4
Profit/(loss) before tax	2,279.5	1,271.8	228.0	68.5	(280.8)	(118.4)	3,448.6	28.5	3,477.1
Tax	(743.7)	(382.0)	(7.1)	–	–	(188.3)	(1,321.1)	(11.8)	(1,332.9)
Tax-exceptional items ³	–	–	90.6	–	–	–	90.6	–	90.6
Profit/(loss) for the year	1,535.8	889.8	311.5	68.5	(280.8)	(306.7)	2,218.1	16.7	2,234.8
Non-controlling interests	607.5	252.2	84.4	–	–	0.5	944.6	–	944.6
Profit/(losses) attributable to the owners of the parent	928.3	637.6	227.1	68.5	(280.8)	(307.2)	1,273.5	16.7	1,290.2
EBITDA¹	2,526.0	1,919.3	337.1	172.8	(103.2)	(84.0)	4,768.0	68.2	4,836.2
Additions to non-current assets									
Additions to property, plant and equipment	903.1	826.4	62.7	–	0.6	30.4	1,823.2	32.7	1,855.9
Segment assets and liabilities									
Segment assets	5,667.1	5,924.2	1,735.9	–	–	2,661.1	15,988.3	384.3	16,372.6
Investment in associates and joint ventures	–	–	–	900.0	–	–	900.0	5.8	905.8
Segment liabilities	(2,642.0)	(1,797.0)	(548.7)	–	–	(1,174.5)	(6,162.2)	(87.2)	(6,249.4)

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 (Refer to the Alternative Performance Measures section on page 238).

2. Operating cash outflow in the exploration and evaluation segment was \$98.0 million.

3. During 2021, there was an exceptional item of \$90.6 million which reflects the recognition of a deferred tax asset at Antucoya (see note 4).

4. An impairment has been recognised as at 31 December 2021 in respect of the \$177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project, presented as an exceptional item.

Notes to segment revenues and results

- (i) Inter-segment revenues are eliminated on consolidation. The only inter-segment revenue related to sales from the Transport division to the mining division of \$9.8 million (year ended 31 December 2021 – \$8.2 million), has been eliminated and is therefore not reflected in the above figures.
- (ii) Revenue includes provisionally priced sales of copper, gold and molybdenum concentrates and copper cathodes. Further details of such adjustments are given in Note 7.
- (iii) For 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. Treatment and refining charges for copper and molybdenum concentrates are detailed in Note 7.
- (iv) The effects of tax and non-controlling interests on the expenses within the Exploration and evaluation segment are allocated to the mine that the exploration work relates to.
- (v) The assets of the Transport division segment include \$7.3 million (31 December 2021 – \$5.8 million) relating to the Group's 30% interest in Antofagasta Terminal International SA ("ATI"), which operates a concession to manage installations in the port of Antofagasta. Further details of these investments are set out in Note 16.

B) Entity-wide disclosures

Revenue by product

	2022 \$m	2021 \$m
Copper		
• Los Pelambres	2,107.7	3,097.0
• Centinela concentrate	1,132.7	1,735.4
• Centinela cathodes	844.4	774.1
• Antucoya	697.5	693.3
Provision of shipping services		
• Los Pelambres	51.9	57.8
• Centinela concentrate	58.5	46.8
• Centinela cathodes	6.7	4.3
• Antucoya	6.0	4.5
Gold		
• Los Pelambres	75.4	91.0
• Centinela concentrate	238.4	345.4
Molybdenum		
• Los Pelambres	291.4	329.2
• Centinela concentrate	100.8	37.2
Silver		
• Los Pelambres	32.5	46.0
• Centinela concentrate	24.7	38.1
Total	5,668.6	7,300.1
Transport division	193.4	170.0
	5,862.0	7,470.1

Revenue by location of customer

	2022 \$m	2021 \$m
Europe		
• United Kingdom	71.0	54.4
• Switzerland	753.6	1,303.7
• Spain	1.0	67.6
• Germany	140.0	121.5
• Rest of Europe	96.5	177.4
Latin America		
• Chile	369.1	282.0
• Rest of Latin America	179.7	214.7
North America		
• United States	312.3	666.5
Asia		
• Japan	1,668.6	1,842.3
• China	1,072.0	1,236.9
• Singapore	423.8	726.1
• South Korea	332.2	322.6
• Hong Kong	178.2	217.1
• Rest of Asia	264.0	237.3
	5,862.0	7,470.1

Information about major customers

In the year ended 31 December 2022, the Group's mining revenue included \$785.5 million related to one large customer that individually accounted for more than 10% of the Group's revenue (year ended 31 December 2021 – one large customer representing \$1,015.1 million).

6 Segment information *continued***Non-current assets by location of assets**

	2022 \$m	2021 \$m Restated
Chile	12,786.1	11,705.1
Other ¹	10.1	10.9
	12,796.2	11,716.0

1. The comparatives have been restated to show a reclassification of \$9.9 million from the "Chile" category to the "Other" category.

	2022 \$m	2021 \$m
Non-current assets per the balance sheet	13,016.2	11,872.7

The above amounts by location reflect non-current assets per the balance sheet excluding:

• Deferred tax assets	(78.5)	(96.8)
• Account receivables	(51.0)	(51.2)
• Equity investments	(90.5)	(8.7)
Total of non-current assets above	(220.0)	(156.7)
Non-current assets by location of asset	12,796.2	11,716.0

7 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:

	2022 \$m	2021 \$m
Revenue from contracts with customers		
Sale of products	5,671.2	6,809.0
Provision of shipping services associated with the sale of products ¹	123.1	113.4
Transport division ²	193.4	170.0
Provisional pricing adjustments in respect of copper, gold and molybdenum	(125.7)	377.7
Total revenue	5,862.0	7,470.1

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 6.

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 6.

For the year ended 31 December 2022

	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 \$m
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	–	–	–	–	–	–	–	–
Revenues before deducting treatment and 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 6 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.

7 Group Revenue *continued*

For the year ended 31 December 2021

	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 \$m
Provisionally priced sales of products	2,966.6	1,685.3	824.3	749.7	93.3	354.8	322.1	38.4
Revenue from freight services	57.8	46.8	4.3	4.5	–	–	–	–
	3,024.4	1,732.1	828.6	754.2	93.3	354.8	322.1	38.4
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(58.7)	(26.8)	0.1	(0.5)	–	(0.9)	0.2	(0.3)
Settlement of sales invoiced in the previous year	175.1	74.7	1.8	1.5	(1.0)	(4.0)	6.4	1.2
Total effect of adjustments to previous year invoices in the current year	116.4	47.9	1.9	1.0	(1.0)	(4.9)	6.6	0.9
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	92.2	58.8	10.2	6.0	(1.1)	(4.1)	30.6	5.8
Mark-to-market adjustments at the end of the current year	12.0	5.2	0.3	0.8	–	0.4	(5.7)	(0.7)
Total effect of adjustments to current year invoices	104.2	64.0	10.5	6.8	(1.1)	(3.7)	24.9	5.1
Total pricing adjustments	220.6	111.9	12.4	7.8	(2.1)	(8.6)	31.5	6.0
Realised losses on commodity derivatives	–	–	(62.6)	(64.2)	–	–	–	–
Revenues before deducting treatment and refining charges	3,245.0	1,844.0	778.4	697.8	91.2	346.2	353.6	44.4
Treatment and refining charges	(90.2)	(61.8)	–	–	(0.2)	(0.8)	(24.4)	(7.2)
Revenue net of tolling charges	3,154.8	1,782.2	778.4	697.8	91.0	345.4	329.2	37.2

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 6 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.

		2022	2021
Sales provisionally priced at the balance sheet date	Tonnes	179,000	177,900
Average mark-to-market price	\$/lb	3.80	4.41
Average provisional invoice price	\$/lb	3.65	4.37

(II) Copper cathodes

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

		2022	2021
Sales provisionally priced at the balance sheet date	Tonnes	22,700	15,000
Average mark-to-market price	\$/lb	3.80	4.42
Average provisional invoice price	\$/lb	3.77	4.39

(III) Gold in concentrate

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

		2022	2021
Sales provisionally priced at the balance sheet date	Ounces	31,000	32,300
Average mark-to-market price	\$/oz	1,828	1,801
Average provisional invoice price	\$/oz	1,742	1,791

(IV) Molybdenum concentrate

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

		2022	2021
Sales provisionally priced at the balance sheet date	Tonnes	2,500	2,400
Average mark-to-market price	\$/lb	26.10	18.60
Average provisional invoice price	\$/lb	22.20	19.65

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 debtors 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	
	2022 \$m	2021 \$m
Los Pelambres – copper concentrate	38.0	12.0
Los Pelambres – molybdenum concentrate	12.6	(5.7)
Centinela – copper concentrate	19.9	5.2
Centinela – molybdenum concentrate	7.6	(0.7)
Centinela – gold in concentrate	2.7	0.4
Centinela – copper cathodes	0.8	0.3
Antucoya – copper cathodes	0.8	0.8
	82.4	12.3

8 Operating Profit From Subsidiaries, and Total Profit From Associates And Joint Ventures

Operating profit from subsidiaries and total profit from operations and associates and joint ventures is derived from Group revenue by deducting operating costs as follows:

	2022 \$m	2021 \$m
Group revenue	5,862.0	7,470.1
Cost of sales	(3,432.7)	(3,120.2)
Gross profit	2,429.3	4,349.9
Administrative and distribution expenses	(558.9)	(550.4)
Other operating income	37.9	31.8
Other operating expenses ¹	(274.0)	(429.9)
Operating profit from subsidiaries	1,634.3	3,401.4
Net share of profit of associates and joint ventures	48.1	59.7
Gain on disposal of investment in joint ventures	944.7	–
Total profit from operations, associates and joint ventures	2,627.1	3,461.1

1. Other operating expenses comprise \$113.0 million of exploration and evaluation expenditure (2021 – \$103.2 million), \$19.1 million in respect of the employee severance provision (2021 – \$19.8 million), \$16.9 million in respect of the closure provision (2021 – \$11.3 million), nil in respect of the provision against the carrying value of assets relating to the Twin Metals project (2021 – \$177.6 million) and \$125.0 million of other expenses (2021 – \$118.0 million).

Profit before tax is stated after (charging)/crediting:

	2022 \$m	2021 \$m
Foreign exchange (losses)/gains		
• included in net finance costs	(12.8)	49.9
Depreciation of property, plant and equipment		
• owned assets	(1,047.2)	(997.1)
• leased assets	(93.9)	(81.6)
Loss on disposal of property, plant and equipment	(2.1)	(9.2)
Cost of inventories recognised as an expense	(2,381.6)	(2,033.0)
Employee benefit expense	(476.6)	(498.0)
Decommissioning and restoration (operating expenses)	(16.9)	(11.3)
Severance charges	(19.1)	(19.8)
Exploration and evaluation expense	(113.0)	(103.2)
Provision against carrying value of assets ¹	–	(177.6)
Auditors' remuneration	(2.2)	(1.9)

1. In 2021 impairment provision recognised in respect of \$27.5 million of property, plant and equipment (note 15) and \$150.1 million of intangible assets (note 14) relating to the Twin Metals project.

A more detailed analysis of auditors' remuneration on a worldwide basis is provided below:

Group	2022 \$000	2021 \$000
Fees payable to the Company's auditors and its associates for the audit of the Parent Company and consolidated financial statements	1,312.5	1,242.0
Fees payable to the Company's auditors and its associates for other services:		
• The audit of the Company's subsidiaries	549.6	415.0
• Audit-related assurance services ¹	98.0	200.0
• Other assurance services ²	241.0	–
	2,201.1	1,857.0

1. The audit-related assurance services relate to the half-year review performed by the auditors.

2. The other assurance services in 2022 related to the bond issue in that year, which required the Group to engage PwC to act as the reporting accountant for that transaction, work which is in effect required to be performed by the Group's auditors.

Details of the Company's policy on the use of auditors for non-audit services: the reason why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded are set out in the Audit and Risk Committee report on page 130. No services were provided pursuant to contingent fee arrangements.

9 Employees

A) Average monthly number of employees

	2022 Number	2021 Number
Los Pelambres	1,069	959
Centinela	2,408	2,226
Antucoya	852	817
Exploration and evaluation	60	71
Corporate and other employees		
• Chile	582	566
• United Kingdom	4	4
• Other	1	4
Mining and Corporate	4,976	4,647
Transport division	1,383	1,336
	6,359	5,983

(i) The average number of employees for the year includes all the employees of subsidiaries. The average number of employees does not include contractors who are not directly employed by the Group.

(ii) The average number of employees does not include employees from associates and joint ventures.

B) Aggregate remuneration

The aggregate remuneration of the employees included in the table above was as follows:

	2022 \$m	2021 \$m
Wages and salaries	(448.5)	(469.9)
Social security costs	(28.1)	(28.1)
	(476.6)	(498.0)

C) Key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Directors (Executive and Non-Executive) of the Company. Key management personnel who are not Directors have been identified as responsible senior management at the Corporate Centre and those responsible for the running of the key business divisions of the Group.

Compensation for key management personnel (including Directors) was as follows:

	2022 \$m	2021 \$m
Salaries and short-term employee benefits	(25.0)	(40.1)
	(25.0)	(40.1)

Disclosures on Directors' remuneration required by Schedule 8 of the Large and Medium-sized Companies and Group (Financial Statement) Regulations 2008, including those specified for audit by that Schedule, are included in the Remuneration report on pages 155 to 162.

10 Net finance (Expense)/Income

	2022 \$m	2021 \$m
Investment income		
Interest income	19.8	3.4
Gains on liquid investments held at fair value through profit or loss	20.4	1.6
	40.2	5.0
Interest expense		
Interest expense	(78.6)	(63.4)
	(78.6)	(63.4)
Other finance items		
Unwinding of discount on provisions	(16.9)	(6.2)
Adjustment to provision discount rates	–	30.8
Effects of changes in foreign exchange rates	(12.8)	49.9
Preference dividends	(0.1)	(0.1)
	(29.8)	74.4
Net finance (expense)/income	(68.2)	16.0

During 2022, amounts capitalised and consequently not included within the above table were as follows: \$47.0 million at Los Pelambres (year ended 31 December 2021 – \$12.1 million) and \$2.0 million at Centinela (year ended 31 December 2021 – \$2.1 million).

The interest expense shown above includes \$7.1 million in respect of leases (2021 – \$7.9 million). The interest paid in respect of leases \$6.0 million (2021 – \$6.5 million).

11 Income tax expense

The tax charge for the year comprised the following:

	2022 \$m	2021 \$m
Current tax charge		
• Corporate tax (principally first category tax in Chile)	(340.4)	(560.8)
• Mining tax (royalty)	(83.9)	(250.0)
• Withholding tax	(24.5)	(224.7)
	(448.8)	(1,035.5)
Deferred tax charge		
• Corporate tax (principally first category tax in Chile)	(96.5)	(237.4)
• Mining tax (royalty)	(9.8)	0.9
• Withholding tax	(48.5)	29.7
	(154.8)	(206.8)
Total tax charge	(603.6)	(1,242.3)

The rate of first category (ie corporate) tax in Chile is 27.0% (2021 – 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 Group's mining operations are also subject to a mining tax (royalty). Production from Los Pelambres, Antucoya, Encuentro (oxides), the Tesoro North East pit and the Run-of-Mine processing at Centinela Cathodes is 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 is subject to a rate of 5% of taxable operating profit.

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 31 December 2022 Excluding exceptional items		Year ended 31 December 2022 Including exceptional items		Year ended 31 December 2021 Excluding exceptional items		Year ended 31 December 2021 Including exceptional items	
	\$m	%	\$m	%	\$m	%	\$m	%
Profit before tax	1,614.2		2,558.9		3,654.7		3,477.1	
Profit before tax multiplied by Chilean corporate tax rate of 27%	(435.9)	27.0	(691.0)	27.0	(986.8)	27.0	(938.8)	27.0
Mining tax (royalty)	(94.5)	5.8	(94.5)	3.7	(243.8)	6.7	(243.8)	7.0
Deduction of mining tax (royalty) as an allowable expense in determination of first category tax	23.1	(1.4)	23.1	(0.9)	67.8	(1.9)	67.8	(1.9)
Items not deductible from first category tax	(33.9)	2.1	(33.9)	1.3	(31.6)	0.9	(31.6)	0.9
Adjustment in respect of prior years	(2.6)	0.1	(2.6)	0.1	(12.1)	0.3	(12.1)	0.3
Withholding tax	(73.0)	4.6	(73.0)	2.9	(195.0)	5.3	(195.0)	5.6
Tax effect of share of profit of associates and joint ventures	13.0	(0.8)	13.0	(0.5)	16.1	(0.4)	16.1	(0.5)
Impact of previously unrecognised tax losses on current tax	0.2	–	0.2	–	52.5	(1.4)	52.5	(1.5)
Impact of recognition of previously unrecognised tax losses on deferred tax	–	–	–	–	–	–	90.6	(2.6)
Provision against carrying value of assets	–	–	–	–	–	–	(48.0)	1.4
Gain on disposal of investment in joint venture	–	–	255.1	(10.0)	–	–	–	–
Tax expense and effective tax rate for the year	(603.6)	37.4	(603.6)	23.6	(1,332.9)	36.5	(1,242.3)	35.7

The effective tax rate excluding exceptional items of 37.4% varied from the statutory rate principally due to the mining tax (royalty) (net impact of \$71.4 million/4.4% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the withholding tax relating to the remittance of profits from Chile (impact of \$73.0 million/4.6%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of \$33.9 million/2.1%), adjustments in respect of prior years (impact of \$2.6 million/0.1%) and the impact of previously unrecognised tax losses (impact of \$0.2 million/0%), partly offset by 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 \$13.0 million/0.8%).

The impact of the exceptional items on the effective tax rate including exceptional items was \$255.1 million/10.0%. Further details of the exceptional gain on the disposal of the Group's investment in the Tethyan joint venture, including relevant tax aspects, are set out in Note 17.

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

- In October 2022, the Chilean government announced its updated proposals for a comprehensive reform of the tax system, including proposed changes to the mining royalty. These proposals are subject to review and approval by the Chilean Congress, and so there is no certainty as to the exact nature of changes which may finally be enacted into law.
- 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.
- 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.

The implementation of the OECD BEPS Pillar 2, which would introduce a minimum effective tax rate of 15% for multinational companies, will be applicable to the Group when brought into relevant legislation. The Group's operations are based in Chile and therefore currently subject to the Chilean first category (corporate) tax rate of 27%, plus withholding taxes on any remittance of profits from Chile. The Group has been assessing the potential impact of the draft UK legislation, and will complete that assessment when the legislation has been finalised.

There are no significant tax uncertainties which would require critical judgements, estimates or potential provisions other than deferred tax judgements and estimates as explained in Note 3B.

12 Earnings per share

	2022 \$m	2021 \$m
Profit for the period attributable to owners of the parent (excluding exceptional items)	588.3	1,404.4
Exceptional Items	944.7	(114.2)
Profit for the period attributable to owners of the parent (including exceptional items) from operations	1,533.0	1,290.2
	2022 Number	2021 Number
Ordinary shares in issue throughout each year	985,856,695	985,856,695
	2022 cents	2021 cents
Basic earnings per share (excluding exceptional items) from operations	59.7	142.5
Basic earnings per share (exceptional items) from operations	95.8	(11.6)
Basic earnings per share (including exceptional items) from operations	155.5	130.9

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2021: 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:

		2022	2021
Profit for the year attributable to owners of the parent	\$m	1,533.0	1,290.2
Profit from continuing operations attributable to owners of the parent	\$m	1,533.0	1,290.2
Ordinary shares	Number	985,856,695	985,856,695
Basic earnings per share from continuing operations	cents	155.5	130.9

13 Dividends

Amounts recognised as distributions to equity holders in the year:

	2022 \$m	2021 \$m	2022 cents per share	2021 cents per share
Final dividend paid in June (proposed in relation to the previous year)				
• Ordinary	1,172.2	478.1	118.9	48.5
Interim dividend paid in September				
• Ordinary	90.7	232.7	9.2	23.6
	1,262.9	710.8	128.1	72.1

The recommended final dividend for each year, which is subject to approval by shareholders at the Annual General Meeting and has therefore not been included as a liability in these financial statements, is as follows:

	2022 \$m	2021 \$m	2022 cents per share	2021 cents per share
Final dividend proposed in relation to the year				
• Ordinary	497.6	1,172.1	50.5	118.9

Total dividends proposed in relation to 2022 (including the interim dividend) are 59.7 cents per share or \$588.3 million (2021 – 142.5 cents per share or \$1,404.8 million).

In accordance with IAS 32, preference dividends have been included within net finance expense (see Note 10) and amounted to \$0.1 million (2021 – \$0.1 million).

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.

Further details relating to dividends for each year are given in the Directors' Report on page 168.

14 Intangible assets

	Cost \$m	Accumulated depreciation and impairment \$m	Net book value \$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)	–

The intangible asset relates to Twin Metals' mining licences assets (included within the corporate segment). As explained in note 3, 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 has been recognised in respect of the carrying value of the asset.

15 Property, plant and equipment

	Land \$m	Mining properties \$m	Stripping costs \$m	Buildings and infrastructure \$m	Railway track \$m	Wagons and rolling stock \$m	Machinery, equipment and others \$m	Assets under construction \$m	Right-of- use assets \$m	Total \$m
Cost										
At 1 January 2021	61.9	667.5	2,305.0	5,928.1	108.3	208.0	7,266.9	1,666.6	458.9	18,671.2
Additions	-	4.5	502.5	-	-	-	3.9	1,283.2	61.8	1,855.9
Additions – capitalised depreciation	-	-	72.0	-	-	-	-	-	-	72.0
Adjustment to capitalised decommissioning provisions	-	-	-	(119.9)	-	-	-	-	-	(119.9)
Capitalisation of interest	-	-	-	-	-	-	-	14.2	-	14.2
Capitalisation of critical spare parts	-	-	-	-	-	-	0.9	-	-	0.9
Reclassifications	-	-	-	1.4	14.5	5.8	4.7	(26.6)	(2.8)	(3.0)
Asset disposals	-	-	-	(5.7)	-	(7.3)	(32.0)	(8.2)	(17.6)	(70.8)
At 31 December 2021	61.9	672.0	2,879.5	5,803.9	122.8	206.5	7,244.4	2,929.2	500.3	20,420.5
At 1 January 2022	61.9	672.0	2,879.5	5,803.9	122.8	206.5	7,244.4	2,929.2	500.3	20,420.5
Additions	-	-	582.5	-	-	-	2.0	1,366.2	51.3	2,002.0
Additions – capitalised depreciation	-	-	73.3	-	-	-	-	-	-	73.3
Adjustment to capitalised decommissioning provisions	-	-	-	173.8	-	-	-	-	-	173.8
Capitalisation of interest	-	-	-	-	-	-	-	49.0	-	49.0
Reclassifications	-	-	-	1.4	11.9	1.5	4.1	(15.8)	(3.1)	-
Asset disposals	-	-	-	(0.2)	-	(0.6)	(9.2)	(5.9)	(17.4)	(33.3)
At 31 December 2022	61.9	672.0	3,535.3	5,978.9	134.7	207.4	7,241.3	4,322.7	531.1	22,685.3
Accumulated depreciation and impairment										
At 1 January 2021	-	(562.1)	(1,117.1)	(2,613.6)	(38.5)	(100.8)	(4,139.8)	-	(247.4)	(8,819.3)
Charge for the year	-	(26.0)	(255.3)	(274.1)	(5.9)	(17.1)	(418.7)	-	(81.6)	(1,078.7)
Depreciation capitalised in inventories	-	-	-	-	-	-	54.1	-	-	54.1
Depreciation capitalised in property, plant and equipment	-	-	-	-	-	-	(72.0)	-	-	(72.0)
Reclassifications	-	-	-	-	-	-	-	-	1.4	1.4
Impairment	(25.0)	-	-	(2.2)	-	-	(0.3)	-	-	(27.5)
Asset disposals	-	-	-	-	-	6.4	36.0	-	17.6	60.0
At 31 December 2021	(25.0)	(588.1)	(1,372.4)	(2,889.9)	(44.4)	(111.5)	(4,540.7)	-	(310.0)	(9,882.0)
At 1 January 2022	(25.0)	(588.1)	(1,372.4)	(2,889.9)	(44.4)	(111.5)	(4,540.7)	-	(310.0)	(9,882.0)
Charge for the year	-	(60.1)	(352.8)	(319.3)	(7.8)	(14.0)	(293.2)	-	(93.9)	(1,141.1)
Depreciation capitalised in inventories	-	-	-	-	-	-	(71.1)	-	-	(71.1)
Depreciation capitalised in property, plant and equipment	-	-	-	-	-	-	(73.3)	-	-	(73.3)
Asset disposals	-	-	-	0.1	-	0.6	7.6	-	17.4	25.7
At 31 December 2022	(25.0)	(648.2)	(1,725.2)	(3,209.1)	(52.2)	(124.9)	(4,970.7)	-	(386.5)	(11,141.8)
Net book value										
At 31 December 2022	36.9	23.8	1,810.1	2,769.8	82.5	82.5	2,270.6	4,322.7	144.6	11,543.5
At 31 December 2021	36.9	83.9	1,507.1	2,914.0	78.4	95.0	2,703.7	2,929.2	190.3	10,538.5

The Group has no (2021 – nil) assets pledged as security against bank loans provided to the Group.

At 31 December 2022, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to \$845.1 million (2021 – \$599.3 million) of which \$445.4 million was related to Los Pelambres and \$326.1 million to Centinela.

The average interest rate for the amounts capitalised was 2.8% (2021 – 1.9%).

At 31 December 2022, the net book value of assets capitalised relating to the decommissioning provision was \$212.1 million (2021 – \$49.7 million).

Depreciation capitalised in property, plant and equipment of \$73.3 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (2021 – \$72.0 million).

The Right-of-use assets includes office lease, vehicles, machinery and equipment. Expenses related to leases of low-value assets not shown as leases (included in operating costs) are \$25.1 million for 2022 (2021 – \$17.8 million).

As explained in note 4, an impairment provision was recognised in 2021 for \$27.5 million of property, plant and equipment relating to the Twin Metals project.

16 Investments in subsidiaries

The subsidiaries of the Group, the percentage of equity owned and the main country of operation are set out below. These interests are consolidated within these financial statements.

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2022	Economic interest at 2021
Direct subsidiaries of the Parent Company						
Antofagasta Railway Company plc	UK	Chile	1	Railway	100%	100%
The Andes Trust Limited	UK	UK	1	Investment	100%	100%
Andean LFMA Investment Limited ⁽ⁱ⁾	UK	Chile	1	Investment	100%	100%
Andes Re Limited	Bermuda	Bermuda	4	Insurance	100%	100%
Alfa Estates Limited	Jersey	Jersey	3	Investment	100%	100%
Indirect subsidiaries of the Parent Company						
Minera Los Pelambres SCM	Chile	Chile	2	Mining	60%	60%
Minera Centinela SCM	Chile	Chile	2	Mining	70%	70%
Minera Antucoya SCM	Chile	Chile	2	Mining	70%	70%
Antofagasta Minerals SA	Chile	Chile	2	Mining	100%	100%
Energía Andina Geothermal SpA	Chile	Chile	2	Energy	100%	100%
MLP Transmisión SA	Chile	Chile	2	Energy	100%	100%
Sociedad Contractual Minera El Encierro ⁽ⁱⁱ⁾	Chile	Chile	2	Mining	56.54%	–
Northern Minerals Investment (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Northern Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Northern Minerals Holding Co	USA	USA	5	Investment	100%	100%
Duluth Metals Limited	Canada	Canada	7	Investment	100%	100%
Twin Metals (UK) Limited	UK	UK	1	Investment	100%	100%
Twin Metals (USA) Inc	USA	USA	6	Investment	100%	100%
Twin Metals Minnesota LLC	USA	USA	6	Mining	100%	100%
Franconia Minerals (US) LLC	USA	USA	6	Mining	100%	100%
Duluth Metals Holdings (USA) Inc	USA	USA	12	Investment	100%	100%
Duluth Exploration (USA) Inc	USA	USA	13	Investment	100%	100%
DMC LLC (Minnesota)	USA	USA	12	Investment	100%	100%
DMC (USA) LLC (Delaware)	USA	USA	12	Investment	100%	100%
DMC (USA) Corporation	USA	USA	12	Investment	100%	100%
Antofagasta Investment Company Limited	UK	UK	1	Investment	100%	100%
Minprop Limited	Jersey	Jersey	3	Mining	100%	100%
Antomin 2 Limited	BVI	BVI	8	Mining	51%	51%
Antomin Investors Limited	BVI	BVI	8	Mining	51%	51%
Antofagasta Minerals Australia Pty Limited	Australia	Australia	9	Mining	100%	100%
Minera Anaconda Peru SA	Peru	Peru	10	Mining	100%	100%
Los Pelambres Holding Company Limited	UK	UK	1	Investment	100%	100%
Los Pelambres Investment Company Limited	UK	UK	1	Investment	100%	100%
Lamborn Land Co	USA	USA	5	Investment	100%	100%
Anaconda South America Inc	USA	USA	14	Investment	100%	100%
El Tesoro (SPV Bermuda) Limited	Bermuda	Bermuda	4	Investment	100%	100%
Antofagasta Minerals Canada	Canada	Canada	9	Agency	100%	100%
Antofagasta Minerals (Shanghai) Co. Limited	China	China	15	Agency	100%	100%
Andes Investments Company (Jersey) Limited	Jersey	Jersey	3	Investment	100%	100%
Bolivian Rail Investors Co Inc	USA	USA	5	Investment	100%	100%
Inversiones Los Pelambres Chile Limitada	Chile	Chile	2	Investment	100%	100%
Equatorial Resources SpA	Chile	Chile	2	Investment	100%	100%
Minera Santa Margarita de Astillas SCM	Chile	Chile	2	Mining	82.0%	82.0%

	Country of incorporation	Country of operations	Registered office	Nature of business	Economic interest at 2022	Economic interest at 2021
Minera Penacho Blanco SA	Chile	Chile	2	Mining	66.6%	66.6%
Michilla Costa SpA	Chile	Chile	2	Logistics	99.9%	99.9%
Minera Pampa Fenix SCM	Chile	Chile	2	Investment	90.0%	90.0%
Minera Mulpun Limitada	Chile	Chile	2	Mining	100%	100%
Fundación Minera Los Pelambres	Chile	Chile	2	Community development	100%	100%
Inversiones Punta de Rieles Limitada	Chile	Chile	11	Investment	100%	100%
Ferrocarril Antofagasta a Bolivia	Chile	Chile	11	Railway	100%	100%
Inversiones Chilean Northern Mines Limitada	Chile	Chile	11	Investment	100%	100%
The Andes Trust Chile SA	Chile	Chile	11	Investment	100%	100%
Forestal SA	Chile	Chile	11	Forestry	100%	100%
Servicios de Transportes Integrados Limitada	Chile	Chile	11	Road transport	100%	100%
Inversiones Train Limitada	Chile	Chile	11	Investment	100%	100%
Servicios Logísticos Capricornio Limitada	Chile	Chile	11	Transport	100%	100%
Embarcadores Limitada	Chile	Chile	11	Transport	100%	100%
FCAB Ingeniería y Servicios DosLimitada	Chile	Chile	11	Transport	100%	100%
Inmobiliaria Parque Estación S.A.	Chile	Chile	11	Real Estates	100%	100%
Emisa Antofagasta SA	Chile	Chile	11	Transport	100%	100%

(i) Name change from Chilean Northern Mines Limited to Andean LFMA Investment Limited

(ii) Sociedad Contractual Minera El Encierro is a newly incorporated Group entity

Registered offices:

- 1 103 Mount Street, London, W1K 2TJ, UK
- 2 Avenida Apoquindo N° 4001, Piso 18, Las Condes, Santiago, Chile
- 3 22 Grenville Street, St Helier, Jersey, JE4 8PX3, Channel Islands
- 4 Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
- 5 1209 Orange Street, Wilmington, DE 19801, USA
- 6 6040 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
- 7 161 Bay Street, Suite 4320, Toronto, Ontario, M5J 2S1, Canada
- 8 PO Box 958, Road Town, Tortola VG1110, British Virgin Islands
- 9 Riparian Plaza, Level 28, 71 Eagle Street, Brisbane, Qld 4001, Australia
- 10 Avenida Paseo de la Republica N° 3245 Piso 3, Lima, Peru
- 11 Simon Bolivar 255, Antofagasta, Chile
- 12 6041 Earle Brown Drive, 480 Brooklyn Center, MN 55430, USA
- 13 1010 Dale Street N, St Paul, MN 55117-5603, USA
- 14 2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
- 15 Unit 3309, IFC 2, 8 Century Avenue, Shanghai, China

With the exception of the Antofagasta Railway Company plc, all of the above Group companies have only one class of ordinary share capital in issue. The Antofagasta Railway Company plc has ordinary and preference share capital in issue, with the ordinary share capital representing 76% of the Company's total share capital, and the preference share capital representing 24%. Antofagasta plc holds 100% of both the ordinary and preference shares.

The proportion of voting rights is proportional to the economic interest for the companies listed above.

17 Disposal of investment in Tethyan joint venture

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. As a result of those agreements:

- the Reko Diq project in Pakistan (the "Project") was reconstituted in Reko Diq Mining Company (Private Limited) ("RDMC"). RDMC is the Pakistani registered subsidiary of Tethyan Copper Company Pty Limited ("TCC"), which is itself the Australian registered subsidiary of Atacama Copper Pty Limited ("Atacama"), the joint venture company registered in Australia and owned equally by the Company and Barrick Gold Corporation ("Barrick");
- a consortium of various Pakistani state-owned enterprises acquired shares in RDMC which holds the Project (the "Sale"); and
- as the International Centre for Settlement of Investment Disputes ("ICSID") award (to TCC) was resolved by reconstituting the Project, TCC no longer has any rights or claims against the Governments of Pakistan and Balochistan arising from the suspension of the Project in 2011.

The proceeds of the Sale which, together with accrued interest up to 15 December 2022 totalled US\$946.0 million, are currently held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick have agreed that the proceeds of this account, including all further interest received, less any Australian tax arising, will be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama is seeking a binding private ruling to confirm that the Sale proceeds and their distribution to the Antofagasta Group will not be subject to Australian tax. The Australian corporate tax rate is 30%. Although Antofagasta will retain its shareholding in Atacama until the proceeds have been distributed, it no longer has any appointees on the board of the joint venture, is not entitled to exercise voting rights in Atacama, and is not required to provide any funding to, or permitted to receive any distributions from, Atacama other than the Sale proceeds. Antofagasta has therefore ceased to have an economic interest in Atacama and its subsidiaries as of 15 December 2022 other than being entitled from that date to receive an amount equal to the Sale proceeds and related interest less any Australian tax arising (whether before or after the distribution). Accordingly, Antofagasta has recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of \$944.7 million, reflecting the Sale proceeds and related interest, working capital and other adjustments and the carrying value of the investment at that date. A receivable balance of \$943.3 million in respect of the estimated proceeds due to Antofagasta has been recognised within Trade and other receivables in the balance sheet.

18 Investment in associates and joint ventures

	ATI (i) 2022 \$m	Minera Zaldivar (ii) 2022 \$m	Tethyan Copper (iii) 2022 \$m	Total 2022 \$m
Balance at the beginning of the year	5.8	900.0	–	905.8
Obligations on behalf of JV and associates at the beginning of the year	–	–	(0.6)	(0.6)
Share of profit/(loss) before tax	2.0	69.3	(0.7)	70.6
Share of tax	(0.5)	(22.0)	–	(22.5)
Share of profit/(loss) from JV and associates	1.5	47.3	(0.7)	48.1
Dividends receivable	–	(50.0)	–	(50.0)
Disposal of investment in JV	–	–	1.3	1.3
Balance at the end of the year	7.3	897.3	–	904.6
Obligations on behalf of JV and associates at the end of the year	–	–	–	–

	ATI (i) 2021 \$m	Minera Zaldivar (ii) 2021 \$m	Tethyan Copper (iii) 2021 \$m	Total 2021 \$m
Balance at the beginning of the year	5.6	909.0	–	914.6
Obligations on behalf of JV and associates at the beginning of the year	–	–	(1.1)	(1.1)
Capital contribution	–	–	9.5	9.5
Share of profit/(loss) before tax	0.2	99.0	(9.0)	90.2
Share of tax	–	(30.5)	–	(30.5)
Share of profit/(loss) from JV and associates	0.2	68.5	(9.0)	59.7
Dividends receivable	–	(77.5)	–	(77.5)
Balance at the end of the year	5.8	900.0	–	905.8
Obligations on behalf of JV and associates at the end of the year	–	–	(0.6)	(0.6)

The investments, which are included in the \$904.6 million balances at 31 December 2022, are set out below:

Investment in associates

- 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

- The Group's 50% interest in Minera Zaldivar SpA ("Zaldivar").
- The Group had a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in the Islamic Republic of Pakistan ("Pakistan"). As explained in Note 17, on 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture and is therefore no longer recognised as a joint venture by the Group.

18 Investment in associates and joint ventures *continued*

As the net carrying value of the interest in Tethyan was negative, it was included within non-current liabilities, as the Group was liable for its share of the joint venture's obligations.

Summarised financial information for the associates is as follows:

	ATI 2022 \$m	ATI 2021 \$m
Cash and cash equivalents	0.4	1.2
Current assets	18.2	13.7
Non-current assets	91.8	99.3
Current liabilities	(19.3)	(22.5)
Non-current liabilities	(69.5)	(75.0)
Revenue	55.2	47.2
Profit from continuing operations	5.1	1.3
Total comprehensive income	5.1	1.3

Summarised financial information for the joint ventures is as follows:

	Minera Zaldivar 2022 \$m	Total 2022 \$m
Cash and cash equivalents	70.1	70.1
Current assets ¹	661.8	661.8
Non-current assets	1,658.6	1,658.6
Current financial liabilities (excluding trade, other payables and provisions)	(53.2)	(53.2)
Current liabilities	(159.3)	(159.3)
Non-current financial liabilities (excluding trade, other payables and provisions)	(68.3)	(68.3)
Non-current liabilities	(203.3)	(203.3)
Revenue	783.4	783.4
Depreciation and amortisation	(149.2)	(149.2)
Interest income	1.5	1.5
Interest expense	(0.8)	(0.8)
Income tax expense	(43.9)	(43.9)
Profit/(loss) after tax from continuing operations	94.6	94.6
Total comprehensive income/(expense)	94.6	94.6

1. The current assets include cash and cash equivalents

	Tethyan Copper 2021 \$m	Minera Zaldivar 2021 \$m	Total 2021 \$m
Cash and cash equivalents	3.6	46.4	50.0
Current assets ¹	3.6	664.0	667.6
Non-current assets	–	1,675.1	1,675.1
Current financial liabilities (excluding trade, other payables and provisions)	–	(54.3)	(54.3)
Current liabilities	(5.1)	(170.2)	(175.3)
Non-current financial liabilities (excluding trade, other payables and provisions)	–	(124.4)	(124.4)
Non-current liabilities	(0.1)	(155.1)	(155.2)
Revenue	–	849.2	849.2
Depreciation and amortisation	(3.0)	(160.4)	(163.4)
Interest income	2.0	0.3	2.3
Interest expense	–	(0.5)	(0.5)
Income tax expense	–	(62.1)	(62.1)
Loss/(profit) after tax from continuing operations	(18.0)	137.1	119.1
Total comprehensive (expense)/income	(18.0)	137.1	119.1

1. The current assets include 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.

19 Equity investments

	2022 \$m	2021 \$m
Balance at the beginning of the year	8.7	11.1
Acquisition	66.5	–
Movement in fair value	15.8	(2.1)
Foreign currency exchange differences	(0.5)	(0.3)
Balance at the end of the year	90.5	8.7

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.

20 Inventories

	2022 \$m	2021 \$m
Current		
Raw materials and consumables	221.4	155.6
Work-in-progress	404.9	316.5
Finished goods	81.8	60.7
	708.1	532.8
Non-current		
Work-in-progress	347.0	270.4
Total	1,055.1	803.2

During 2022, no net realisable value ("NRV") adjustment has been recognised (2021 – nil). Non-current work-in-progress represents inventory expected to be processed more than 12 months after the balance sheet date.

21 Trade and other receivables

Trade and other receivables do not generally carry any interest, are principally short term in nature and are normally stated at their nominal value less any impairment.

	Due in one year		Due after one year		Total	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Trade receivables	997.1	1,040.0	–	–	997.1	1,040.0
Other receivables ¹	1,090.1	106.1	51.0	51.2	1,141.1	157.3
	2,087.2	1,146.1	51.0	51.2	2,138.2	1,197.3

1. At 31 December 2022, the Other receivables balance includes the proceeds receivable in respect of the Group's disposal of its investment in the Tethyan joint venture. As detailed in Note 17, the proceeds are currently held by Atacama in a segregated interest-bearing account with an A+ rated bank.

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. There is no material element which is interest-bearing, other than the Tethyan receivable noted above. Trade receivables include mark-to-market adjustments in respect of provisionally priced sales of copper and molybdenum concentrates which remain open as to final pricing. Further details of such adjustments are given in Note 7. Other receivables include employee loans of \$49.3 million (31 December 2021 – \$42.9 million).

Movements in the expected credit loss provision were as follows:

	2022 \$m	2021 \$m
Balance at the beginning of the year	(1.2)	(1.5)
Utilised in year	0.2	0.1
Foreign currency exchange difference	–	0.2
Balance at the end of the year	(1.0)	(1.2)

The ageing analysis of the trade and other receivables balance is as follows:

	Up to date \$m	Up to 3 months past due \$m	3-6 months past due \$m	More than 6 months past due \$m	Total excluding expected credit loss provision \$m	Expected credit loss provision \$m	Total \$m
2022	2,098.8	36.8	1.2	2.4	2,139.2	(1.0)	2,138.2
2021	1,187.1	8.4	0.3	2.7	1,198.5	(1.2)	1,197.3

With respect to the trade receivables that are neither past due nor impaired, there are no indications that the debtors will not meet their payment obligations. The carrying value of the trade receivables recorded in the financial statements represents the Group's maximum exposure to credit risk.

22 Cash and cash equivalents, and liquid investments

The fair value of cash and cash equivalents, and liquid investments is not materially different from the carrying values presented. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cash and cash equivalents, and liquid investments comprised:

	2022 \$m	2021 \$m
Cash and cash equivalents	810.4	743.4
Liquid investments	1,580.8	2,969.7
	2,391.2	3,713.1

At 31 December 2022 and 2021 there is no cash which is subject to restriction.

The denomination of cash, cash equivalents and liquid investments was as follows:

	2022 \$m	2021 \$m
US dollars	2,371.1	3,673.8
Chilean pesos	18.8	37.8
Sterling	1.0	1.2
Other	0.3	0.3
	2,391.2	3,713.1

The credit quality of cash, cash equivalents and liquid investments are as follow:

	2022 \$m	2021 \$m
AAA	1,476.7	1,772.4
AA+	–	2.2
AA	–	54.4
AA-	36.5	121.1
A+	303.0	799.5
A	484.1	904.0
Subtotal	2,300.3	3,653.6
Cash at bank ¹	90.9	59.5
Total cash, cash equivalents and liquid investments	2,391.2	3,713.1

1. Cash at bank is held with investment grade financial institutions.

There have been no impairments recognised in respect of cash or cash equivalents in the year ended 31 December 2022 (31 December 2021 – nil).

23 Borrowings and other financial liabilities

A) Analysis by type of borrowing and other financial liabilities

Borrowings and other financial liabilities may be analysed by business segment and type as follows:

	Note	2022 \$m	2021 \$m
Los Pelambres			
• Senior loan	(i)	(1,470.5)	(1,188.3)
• Leases		(55.3)	(54.8)
Centinela			
• Senior loan	(ii)	(276.7)	(386.8)
• Leases		(35.2)	(59.8)
Antucoya			
• Senior loan	(iii)	(223.5)	(196.3)
• Subordinated debt	(iv)	(171.5)	(184.5)
• Short-term loan		–	(35.0)
• Leases	(v)	(16.5)	(23.4)
Corporate and other items			
• Senior loan	(vi)	–	(497.3)
• Bond	(vii)	(985.3)	(496.1)
• Leases	(viii)	(23.1)	(20.4)
Transport division			
• Senior loan	(ix)	(15.3)	(25.8)
• Leases		(1.6)	(1.4)
Preference shares	(ix)	(2.5)	(2.7)
Total		(3,277.0)	(3,172.6)

- (i) The senior loan at Los Pelambres represents a \$1,491 million US dollar denominated syndicated loan divided in three tranches. The first tranche has a remaining duration of 3 years and an interest rate of US LIBOR six-month rate plus 1.05%. The second tranche has a remaining duration of 6 years and an interest rate of US LIBOR six-month rate plus 0.85%. The third tranche has a remaining duration of 5.5 years and an interest rate of US LIBOR six-month rate plus 1.10%. The loans are subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.
- (ii) The senior loan at Centinela represents a US dollar denominated syndicated loan with an amount outstanding of \$278 million with a duration of 3 years and an interest rate of US LIBOR six-month rate plus 0.95%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.
- (iii) The senior loan at Antucoya represents a US dollar denominated syndicated loan with an amount outstanding of \$225 million. This loan has a remaining duration of 4 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) The subordinated debt at Antucoya is US dollar denominated, provided to Antucoya by Marubeni Corporate with a remaining duration of 4 years and an interest rate of US LIBOR six-month rate plus 3.65%. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.
- (v) The finance leases at Antucoya are denominated in US dollars with an average interest rate of US LIBOR six-month rate plus 2.0% and a remaining duration of 1.5 years.
- (vi) During the year ended 31 December 2022, Antofagasta plc made a \$500 million repayment of the senior loan.
- (vii) The bonds at Corporate reflect two corporate bonds – a \$500 million 2.375% corporate bond due in 2030 and a \$500 million 5.625% corporate bond due in 2032.
- (viii) Finance leases at Corporate and other items are denominated in Unidades de Fomento (ie inflation-linked Chilean pesos) and have a remaining duration of 4 years and are at fixed rates with an average interest rate of 5.2%.
- (ix) The long-term loans at the Transport division are US dollar denominated, with an outstanding amount of \$15 million and a remaining duration of 1 year and an interest rate of US LIBOR six-month rate plus 1.06%.
- (x) 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.

B) Leases

Information in respect of the Group's leases is contained in the following notes:

- Note 15 – depreciation charges, additions and disposals in respect of the right of use assets relating to the leases
- Note 32 B) – repayments of the lease balances and new lease liabilities arising during the period
- Note 10 – interest expense in respect of the lease balances
- Note 10 – cash paid relating to interest on lease

C) Analysis of borrowings and other financial liabilities by currency

The exposure of the Group's borrowings to currency risk is as follows:

	Chilean pesos \$m	Sterling \$m	US dollars \$m	2022 Total \$m
At 31 December 2022				
Corporate loans	(0.3)	–	(1,985.7)	(1,986.0)
Bond	–	–	(985.3)	(985.3)
Other loans (including short-term loans)	–	–	(171.5)	(171.5)
Leases	(115.1)	(3.9)	(12.7)	(131.7)
Preference shares	–	(2.5)	–	(2.5)
	(115.4)	(6.4)	(3,155.2)	(3,277.0)
	Chilean pesos \$m	Sterling \$m	US dollars \$m	2021 Total \$m
At 31 December 2021				
Corporate loans	–	–	(2,294.5)	(2,294.5)
Bond	–	–	(496.1)	(496.1)
Other loans (including short-term loans)	–	–	(219.5)	(219.5)
Leases	(113.5)	(4.3)	(42.0)	(159.8)
Preference shares	–	(2.7)	–	(2.7)
	(113.5)	(7.0)	(3,052.1)	(3,172.6)

D) Analysis of borrowings and other financial liabilities by type of interest rate

The exposure of the Group's borrowings to interest rate risk is as follows:

	Fixed \$m	Floating \$m	2022 Total \$m
At 31 December 2022			
Corporate loans	(15.5)	(1,970.5)	(1,986.0)
Bond	(985.3)	–	(985.3)
Other loans (including short-term loans)	–	(171.5)	(171.5)
Leases	(125.7)	(6.0)	(131.7)
Preference shares	(2.5)	–	(2.5)
	(1,129.0)	(2,148.0)	(3,277.0)
	Fixed \$m	Floating \$m	2021 Total \$m
At 31 December 2021			
Corporate loans	–	(2,294.5)	(2,294.5)
Bond	(496.1)	–	(496.1)
Other loans (including short-term loans)	–	(219.5)	(219.5)
Leases	(143.9)	(15.9)	(159.8)
Preference shares	(2.7)	–	(2.7)
	(642.7)	(2,529.9)	(3,172.6)

23 Borrowings and other financial liabilities *continued*

E) Maturity profile

The maturity profile of the Group's borrowings is as follows:

	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2022 Total \$m
At 31 December 2022					
Corporate loans	(377.4)	(531.7)	(927.7)	(149.2)	(1986.0)
Bond	–	–	–	(985.3)	(985.3)
Other loans	–	–	(171.5)	–	(171.5)
Leases	(55.1)	(39.5)	(35.9)	(1.2)	(131.7)
Preference shares	–	–	–	(2.5)	(2.5)
	(432.5)	(571.2)	(1,135.1)	(1,138.2)	(3,277.0)
	Within 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2021 Total \$m
At 31 December 2021					
Corporate loans	(233.0)	(367.0)	(1,526.7)	(167.8)	(2,294.5)
Bond	–	–	–	(496.1)	(496.1)
Other loans	(35.0)	–	(184.5)	–	(219.5)
Leases	(69.9)	(38.2)	(51.7)	–	(159.8)
Preference shares	–	–	–	(2.7)	(2.7)
	(337.9)	(405.2)	(1,762.9)	(666.6)	(3,172.6)

The amounts included above for leases are based on the present value of minimum lease payments.

The total minimum lease payments for these leases may be analysed as follows:

	2022 \$m	2021 \$m
Within 1 year	(62.1)	(74.7)
Between 1 – 2 years	(40.1)	(40.5)
Between 2 – 5 years	(37.6)	(54.8)
After 5 years	(1.3)	–
Total minimum lease payments	(141.1)	(170.0)
Less amounts representing finance charges	9.4	10.2
Present value of minimum lease payments	(131.7)	(159.8)

All leases are on a fixed payment basis and no arrangements have been entered into for contingent rental payments.

F) Financing Facilities

On 30 December, 2022, Antofagasta plc agreed a revolving credit facility "RCF" of \$500 million. This revolving credit facility has a term of three years, which expires on 30 December, 2025.

The facility remained undrawn throughout 2022.

	Facility available		Drawn		Undrawn	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Revolving credit facility	(500.0)	–	–	–	(500.0)	–
	(500.0)	–	–	–	(500.0)	–

24 Trade and other payables

	Due in one year		Due after one year		Total	
	2022 \$m	2021 \$m	2022 \$m	2021 \$m	2022 \$m	2021 \$m
Trade creditors	(751.5)	(579.5)	–	–	(751.5)	(579.5)
Other creditors and accruals	(328.2)	(249.6)	(8.0)	(16.8)	(336.2)	(266.4)
	(1,079.7)	(829.1)	(8.0)	(16.8)	(1,087.7)	(845.9)

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Other creditors are mainly related to property plant and equipment payables, finance interest and employee retentions.

The average credit period taken for trade purchases is 18 days (2021 – 20 days).

25 Financial instruments and financial risk management

A) Categories of financial instruments

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

				2022 \$m
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
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				
Borrowings and leases	–	–	(3,277.0)	(3,277.0)
Trade and other payables	–	–	(1,067.3)	(1,067.3)
	–	–	(4,344.3)	(4,344.3)
				2021 \$m
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	Total
Financial assets				
Equity investments	–	8.7	–	8.7
Trade and other receivables	1,011.7	–	83.3	1,095.0
Cash and cash equivalents	–	–	743.4	743.4
Liquid investments	2,969.7	–	–	2,969.7
	3,981.4	8.7	826.7	4,816.8
Financial liabilities				
Trade and other payables	–	–	(835.6)	(835.6)
Borrowings and leases	–	–	(3,172.6)	(3,172.6)
	–	–	(4,008.2)	(4,008.2)

The fair value of the fixed rate bonds included within the “Borrowings and leases” category was \$899.4 million at 31 December 2022 compared with its carrying value of \$985.3 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:

	2022 \$m	2021 \$m
Financial assets		
Trade and other receivables (non-current) per balance sheet	51.0	51.2
Trade and other receivables (current) per balance sheet	2,087.2	1,146.1
Total trade and other receivables per balance sheet	2,138.2	1,197.3
Less: non-financial assets (including prepayments and VAT receivables)	(193.5)	(102.3)
Total trade and other receivables (financial assets)	1,944.7	1,095.0
Financial liabilities		
Trade and other payables (current) per balance sheet	(1,079.7)	(829.1)
Trade and other payables (non-current) per balance sheet	(8.0)	(16.8)
Total trade and other payables per balance sheet	(1,087.7)	(845.9)
Less: non-financial liabilities (including VAT payables)	20.4	10.3
Total trade and other payables (financial liabilities)	(1,067.3)	(835.6)

25 Financial instruments and financial risk management *continued*

B) Fair value of financial instruments

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

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2022 \$m
Financial assets				
Equity investments (a)	90.5	–	–	90.5
Trade and other receivables (b)	–	897.2	–	897.2
Cash and cash equivalents (c)	8.5			8.5
Liquid investment (d)	–	1,580.8	–	1,580.8
	99.0	2,478.0	–	2,577.0

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total 2021 \$m
Financial assets				
Equity investments (a)	8.7	–	–	8.7
Trade and other receivables (b)	–	1,011.7	–	1,011.7
Liquid investment (d)	–	2,969.7	–	2,969.7
	8.7	3,981.4	–	3,990.1

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

- 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.
- 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 period-end average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.
- 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.
- 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 2022, there were no transfers between levels in the hierarchy.

C) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk, interest rate risk and other price risk), credit risk and liquidity risk. 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.

The Board of Directors is responsible for overseeing the Group's risk management framework. The Audit and Risk Committee assists the Board with its review of the effectiveness of the risk management process, and monitoring of key risks and mitigations. The Internal Audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

(I) Commodity price risk

The Group generally sells its copper and molybdenum concentrate and copper cathode output at prevailing market prices, subject to final pricing adjustments which normally range from one to four months after delivery to the customer, and it is therefore exposed to changes in market prices for copper and molybdenum both in respect of future sales and previous sales, which remain open as to final pricing. In 2022, sales of copper and molybdenum concentrate and copper cathodes represented 90.4% of Group revenue and therefore revenues and earnings depend significantly on LME and realised copper prices.

The Group periodically uses futures and min-max options to manage its exposure to copper prices. These instruments may give rise to accounting volatility due to fluctuations in their fair value prior to the maturity of the instruments. Details of those copper and molybdenum concentrate sales and copper cathode sales, which remain open as to final pricing, are given in Note 7.

Commodity price sensitivity

The sensitivity analysis below shows the impact of a movement in the copper price on the financial instruments held as at the reporting date.

A movement in the copper market price as at the reporting date will affect the final pricing adjustment to sales that remain open at that date, impacting the trade receivables balance and consequently the income statement. A movement in the copper market price will also affect the valuation of

commodity derivatives, impacting the hedging reserve in equity if the fair value movement relates to an effective designated cash flow hedge, and impacting the income statement if it does not. The calculation assumes that all other variables, such as currency rates, remain constant.

- If the copper market price as at the reporting date had increased by 10 c/lb, profit attributable to the owners of the parent would have increased by \$19.8 million (2021 – increase by \$18.4 million).
- If the copper market price as at the reporting date had decreased by 10 c/lb, profit attributable to the owners of the parent would have decreased by \$19.8 million (2021 – decrease by \$18.4 million). In addition, a movement in the average copper price during the year would impact revenue and earnings. A 10 c/lb change in the average copper price during the year would have affected profit attributable to the owners of the parent by \$58.7 million (2021 – \$64.8 million) and earnings per share by 6.0 cents (2021 – 6.6 cents), based on production volumes in 2022, without taking into account the effects of provisional pricing. A \$1 /lb change in the average molybdenum price for the year would have affected profit attributable to the owners of the parent by \$9.5 million (2021 – \$9.2 million), and earnings per share by 1.0 cents (2021 – 0.9 cents), based on production volumes in 2022, and without taking into account the effects of provisional pricing. A \$100 /oz change in the average gold price for the year would have affected profit attributable to the owners of the parent by \$11.6 million (2021 – \$11.5 million), and earnings per share by 1.2 cents (2021 – 1.2 cents), based on production volumes in 2022, and without taking into account the effects of provisional pricing.

(II) Currency risk

The Group is exposed to a variety of currencies. The US dollar, however, is the currency in which the majority of the Group's sales are denominated. Operating costs are influenced by the countries in which the Group's operations are based (principally in Chile) as well as those currencies in which the costs of imported goods and services are determined. After the US dollar, the Chilean peso is the most important currency influencing costs and to a lesser extent sales.

Given the significance of the US dollar to the Group's operations, this is the presentational currency of the Group for internal and external reporting. The US dollar is also the currency for borrowing and holding surplus cash, although a portion of this may be held in other currencies, notably Chilean pesos and Sterling, to meet short-term operating and capital commitments and dividend payments.

When considered appropriate, the Group uses forward exchange contracts and currency swaps to limit the effects of movements in exchange rates in foreign currency denominated assets and liabilities. The Group may also use these instruments to reduce currency exposure on future transactions and cash flows. Details of any exchange rate derivatives entered by the Group in the year are given in Note 25(D).

The currency exposure of the Group's cash, cash equivalents and liquid investments is given in Note 22, and the currency exposure of the Group's borrowings is given in Note 23(C). The effects of exchange gains and losses included in the income statement are given in Note 10. Exchange differences on translation of the net assets of entities with a functional currency other than the US dollar are taken to the currency translation reserve and are disclosed in the Consolidated Statement of Changes in Equity on page 182.

Currency sensitivity

The sensitivity analysis below shows the impact of a movement in the US dollar/Chilean peso exchange rate on the financial instruments held as at the reporting date.

The impact on profit or loss is as a result of the retranslation of monetary financial instruments (including cash, cash equivalents, liquid investments, trade receivables, trade payables and borrowings). The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges, and changes in the fair value of equity investments. The calculation assumes that all other variables, such as interest rates, remain constant.

If the US dollar had strengthened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have increased by \$19.1 million (2021 – increase of \$6.1 million). If the US dollar had weakened by 10% against the Chilean peso as at the reporting date, profit attributable to the owners of the parent would have decreased by \$23.3 million (2021 – decrease of \$7.4 million).

(III) Interest rate risk

The Group's policy is generally to borrow and invest cash at floating rates. Fluctuations in interest rates may impact the Group's net finance income or cost, and to a lesser extent the value of financial assets and liabilities. The Group occasionally uses interest rate swaps and collars to manage interest rate exposures on a portion of its existing borrowings. Details of any interest rate derivatives entered into by the Group are given in Note 23(D).

The Interest rate exposure of the Group's borrowings is given in Note 23.

Interest rate sensitivity

The sensitivity analysis below shows the impact of a movement in interest rates in relation to the financial instruments held as at the reporting date. The impact on profit or loss reflects the impact on annual interest expense in respect of the floating rate borrowings held as at the reporting date, and the impact on annual interest income in respect of cash and cash equivalents held as at the reporting date. The impact on equity is as a result of changes in the fair value of derivative instruments which are effective designated cash flow hedges. The calculation assumes that all other variables, such as currency rates, remain constant.

If the interest rate increased by 1%, based on the financial instruments held as at the reporting date, profit attributable to the owners of the parent would have decreased by \$3.3 million (2021 – decrease of \$6.4 million). This does not include the effect on the income statement of changes in the fair value of the Group's liquid investments relating to the underlying investments in fixed income instruments.

(IV) Other price risk

The Group is exposed to equity price risk on its equity investments.

Equity price sensitivity

The sensitivity analysis below shows the impact of a movement in the equity values of the equity investment financial assets held as at the reporting date.

If the value of the equity investments had increased by 10% as at the reporting date, equity would have increased by \$9.1 million (2021 – increase of \$0.9 million). There would have been no impact on the income statement.

25 Financial instruments and financial risk management *continued*

(V) Cash flow risk

The Group's future cash flows depend on a number of factors, including commodity prices, production and sales levels, operating costs, capital expenditure levels, and financial income and costs. Its cash flows are therefore subject to the exchange, interest rate and commodity price risks described above as well as operating factors and input costs. To reduce the risk of potential short-term disruptions to the supply of key inputs such as electricity and sulphuric acid, the Group enters into medium and long-term supply contracts to help ensure continuity of supply. Long-term electricity supply contracts are in place at each of the Group's mines, in most cases linking the cost of electricity under the contract to the current cost of electricity on the Chilean grid or the generation cost of the supplier. The Group seeks to lock in supply of sulphuric acid for future periods of a year or longer, with contract prices agreed in the latter part of the year, to be applied to purchases of acid in the following year. Further information on production and sales levels and operating costs are given in the Operating review on pages 76 to 93.

(VI) Credit risk

Credit risk arises from trade and other receivables, cash, cash equivalents, liquid investments and derivative financial instruments. The Group's credit risk is primarily to trade receivables. The credit risk on cash, cash equivalents and liquid investments and on derivative financial instruments is limited as the counterparties are financial institutions with high credit ratings assigned by international credit agencies.

The largest balances of trade receivables are with equity participants in the key mining projects. Many other significant trade receivables are secured by letters of credit or other forms of security. All customers are subject to credit review procedures, including the use of external credit ratings where available. Credit is provided only within set limits, which are regularly reviewed. The main customers are recurrent with a good credit history during the years they have been customers.

Outstanding receivable balances are monitored on an ongoing basis.

The carrying value of financial assets recorded in the financial statements represents the maximum exposure to credit risk. The amounts presented in the balance sheet are net of allowances for any doubtful receivables (Note 21).

The Group has recognised an expected credit loss provision for its employee receivables, with the main inputs into the provision calculation being the average level of staff turnover and the average level of recovery of receivables from former employees. For the reasons set out above, the expected credit loss risk for other trade and other receivable balances is considered to be immaterial to the Group.

(VII) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and financing facilities, through the review of forecast and actual cash flows.

The Group typically holds surplus cash in demand or term deposits or highly liquid investments, which typically can be accessed or liquidated within 24 hours.

At the end of 2022, the Group was in a net debt position (2021 – net cash position), as disclosed in Note 32(C). Details of cash, cash equivalents and liquid investments are given in Note 22, while details of borrowings including the maturity profile are given in Note 23(E). Details of undrawn committed borrowing facilities are also given in Note 23.

The following table analyses the maturity of the Group's contractual commitments in respect of its financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

At 31 December 2022	Less than 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2022 Total \$m
Corporate loans	(475.7)	(609.4)	(1,017.8)	(163.3)	(2,266.2)
Other loans (including short-term loans and bond)	(60.5)	(40.0)	(290.8)	(1,176.3)	(1,567.6)
Leases	(62.1)	(40.4)	(37.9)	(1.3)	(141.7)
Preference shares*	(0.1)	(0.1)	(0.3)	(2.5)	(3.0)
Trade and other payables	(1,079.8)	(4.0)	(3.9)	–	(1,087.7)
	(1,678.2)	(693.9)	(1,350.7)	(1,343.4)	(5,066.2)

At 31 December 2021	Less than 1 year \$m	Between 1-2 years \$m	Between 2-5 years \$m	After 5 years \$m	2021 Total \$m
Corporate loans	(267.1)	(398.5)	(1,574.8)	(170.6)	(2,411.0)
Other loans (including short-term loans and bond)	(47.0)	(11.9)	(242.7)	(555.5)	(857.1)
Leases	(74.7)	(40.5)	(54.5)	–	(169.7)
Preference shares*	(0.1)	(0.1)	(0.3)	(2.7)	(3.2)
Trade and other payables	(829.1)	(16.8)	–	–	(845.9)
	(1,218.0)	(467.8)	(1,872.3)	(728.8)	(4,286.9)

* The preference shares pay an annual dividend of £100,000 in perpetuity, and accordingly it is not possible to determine total amounts payable for periods without a fixed end date.

(VIII) Capital risk management

The Group's objectives are to return capital to shareholders while leaving the Group with sufficient funds to progress its short, medium and long-term growth plans as well as preserving the financial flexibility to take advantage of opportunities as they may arise. This policy remains unchanged.

The Group monitors capital on the basis of net cash/debt (defined as cash, cash equivalents and liquid investments less borrowings) which was net debt of \$885.8 million at 31 December 2022 (2021 – net cash \$540.5 million), as well as gross cash (defined as cash, cash equivalents and liquid investments) which was \$2,391.2 million at 31 December 2022 (2021 – \$3,713.1 million). The Group's total cash is held in a combination of on demand and term deposits and managed funds investing in high quality, fixed income instruments. The managed funds are held primarily for investment purposes rather than meeting short-term cash commitments and accordingly these amounts are presented as liquid investments; however they are included in net cash for monitoring and decision-making purposes. The Group has a risk averse investment strategy. The Group's borrowings are detailed in Note 23. Additional project finance or shareholder loans are taken out by the operating subsidiaries to fund projects on a case-by-case basis.

Under the terms of the major borrowing facilities, the Group is required to comply with the following financial covenants:

- 1) Net Financial Debt/EBITDA
- 2) EBITDA/Interest Expense
- 3) Total Indebtedness/Tangible Net Worth (being the net asset value less any intangible asset value)

The Group has complied with these covenants throughout the reporting period.

D) 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.

The Group has applied the hedge accounting provisions of IFRS 9 "Financial Instruments". Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows have been recognised directly in equity, with such amounts subsequently recognised in the income statement in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in the income statement. Realised gains and losses on commodity derivatives recognised in the income statement have been recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. Realised gains and losses and changes in the fair value of exchange and interest derivatives are recognised within other finance items for those derivatives where hedge accounting has not been applied. When hedge accounting has been applied, the realised gains and losses on exchange and interest derivatives are recognised within other finance items and interest expense respectively. All derivatives were closed in 2021 and there are none entered into in 2022.

26 Long-term incentive plan

The long-term incentive plan (the "Plan") forms part of the remuneration of senior managers in the Group. Directors are not eligible to participate in the Plan.

Details of the Awards

Under the Plan, the Group may grant awards based on the price of ordinary shares in the Company and cannot grant awards over actual shares.

- Restricted Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company's ordinary shares, subject to the relevant employee remaining employed by the Group when the Restricted Award vests, and
- Performance Awards: These awards are conditional rights to receive cash payment by reference to a specified number of the Company's ordinary shares subject to both the satisfaction of a performance condition and the relevant employee remaining employed by the Group when the Performance Award vests.

When awards vest under the Plan, participants become entitled to receive a cash payment by reference to the number and portion of awards that have vested and the market value of the Company's ordinary shares on the date of vesting. There is no exercise price payable by participants in respect of the awards.

Restricted Awards can only vest in full if participants remain employed by the Group for three years from the date that Restricted Awards are granted. In ordinary circumstances, the first one-third of a Restricted Award will vest after one year, the second one-third will vest after two years and the remaining one-third will vest after three years. There are no performance criteria attached to Restricted Awards. The fair value of Restricted Awards granted under the Plan is recorded as a compensation expense over the vesting periods, with a corresponding liability recognised for the fair value of the liability at the end of each period until settled.

Performance Awards only vest if certain performance criteria are met. The performance criteria reflect a number of factors including total shareholder return, earnings levels, growth in the Group's reserves and resources and project delivery targets. The fair value of Performance Awards under the Plan is recorded as a compensation expense over the vesting period, with a corresponding liability at the end of each period until settled.

26 Long-term incentive plan *continued*

Valuation process and accounting for the awards

The fair value of the awards is determined using a Monte Carlo simulation model. The inputs into the Monte Carlo simulation model are as follows:

	2022	2021
Weighted average forecast share price at vesting date	\$18.5	\$18.0
Expected volatility	50.90%	39.23%
Expected life of awards	3 years	3 years
Expected dividend yields	6.77%	3.94%
Discount rate	4.33%	0.08%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous five years. The expected life of awards used in the model has been adjusted based on management's best estimate for the effects of non-transferability and compliance of the objectives determined according to the characteristic of each plan.

The number of awards outstanding at the end of the year is as follows:

	Restricted Awards	Performance Awards
Outstanding at 1 January 2022	544,143	1,385,475
Granted during the year	214,812	336,206
Cancelled during the year	(38,330)	(128,513)
Payments during the year	(282,106)	(416,221)
Outstanding at 31 December 2022	438,519	1,176,947
Number of awards that have vested	213,594	–

The Group has recorded a liability of \$17.2 million at 31 December 2022, of which \$4.7 million is due after more than one year (31 December 2022 – \$18.9 million of which \$9.2 million was due after more than one year) and total expenses of \$13.1 million for the year (2021 – expense of \$9.0 million).

27 Post-employment benefit obligations

A) Defined contribution schemes

The Group operates defined contribution schemes for a limited number of employees. The amount charged to the income statement in 2022 was \$0.1 million (2021 – \$0.1 million), representing the amount paid in the year. There were no outstanding amounts which remain payable at the end of either year.

B) Severance provisions

Employment terms at some of the Group's operations provide for payment of a severance payment when an employment contract comes to an end. This is typically at the rate of one month for each year of service (subject in most cases to a cap as to the number of qualifying years of service) and based on final salary level. The severance payment obligation is treated as an unfunded defined benefit plan, and the obligation recognised is based on valuations performed by an independent actuary using the projected unit credit method, which are regularly updated. The obligation recognised in the balance sheet represents the present value of the severance payment obligation. Actuarial gains and losses are immediately recognised in other comprehensive income.

The most recent valuation was carried out in 2022 by Ernst & Young, a qualified actuary in Santiago, Chile who is not connected with the Group.

The main assumptions used to determine the actuarial present value of benefit obligations were as follows:

	2022 %	2021 %
Average nominal discount rate	5.3%	6.3%
Average rate of increase in salaries	2.2%	2.3%
Average staff turnover	3.5%	4.9%

Amounts included in the income statement in respect of severance provisions are as follows:

	2022 \$m	2021 \$m
Current service cost (charge to operating profit)	(19.1)	(19.8)
Interest cost (charge to other finance items)	(6.8)	(3.6)
Foreign exchange credit/(charge) to other finance items	1.5	19.6
Total charge to income statement	(24.4)	(3.8)

Movements in the present value of severance provisions were as follows:

	2022 \$m	2021 \$m
Balance at the beginning of the year	(107.5)	(123.2)
Current service cost	(19.1)	(19.8)
Actuarial (losses)/gains	(18.1)	3.1
Unwinding of discount on provisions	(6.8)	(3.6)
Paid in the year	12.7	16.4
Foreign currency exchange difference	1.5	19.6
Balance at the end of the year	(137.3)	(107.5)

Assumptions description

Discount rate

	31 December 2022	31 December 2021
Nominal discount rate	5.34%	6.50%
Reference rate name	20 year Chilean Central Bank Bonds	20 year Chilean Central Bank Bonds
Governmental or corporate rate	Governmental	Governmental
Reference rating	AA-/AA+	AA-/AA+
Corresponds to an Issuance market (primary) or secondary market	Secondary	Secondary
Issuance currency associated to the reference rate	Chilean peso	Chilean peso
Date of determination of the reference interest rate	28 November 2022	31 October 2021
Source of the reference interest rate	Bloomberg	Bloomberg

The discount rate is the interest rate used to discount the estimated future severance payments to their present value. The table above shows the principal instruments and assumptions utilised in determining the discount rate.

Rate of increase in salaries

This represents the estimated average rates of future salary increases, reflecting likely future promotions and other changes. This has been based on historical information for the Group for the period from 2018 to 2022.

Turnover rate

This represents the estimated average level of future employee turnover. This has been based on historical information for the Group for the period from 2018 to 2022.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and staff turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by \$10.2 million. If the discount rate is 100 basis points lower, the defined benefit obligation would increase by \$11.7 million.
- If the expected salary growth increases by 1%, the defined benefit obligation would increase by \$10.5 million. If the expected salary growth decreases by 1%, the defined benefit obligation would decrease by \$9.6 million.
- If the staff turnover increases by 1%, the defined benefit obligation would decrease by \$2.5 million. If the staff turnover decreases by 1%, the defined benefit obligation would increase by \$2.5 million.

28 Deferred tax assets and liabilities

	Accelerated capital allowances \$m	Temporary differences on provisions \$m	Withholding tax \$m	Short-term differences \$m	Mining tax (Royalty) \$m	Tax losses \$m	Disposal \$m	Total \$m
At 1 January 2021	(1,122.1)	124.6	(52.8)	42.0	(103.5)	5.3	0.1	(1,106.4)
(Charge)/credit to income	(248.9)	(7.5)	29.7	(103.3)	1.0	31.7	(0.1)	(297.4)
Exceptional items	–	–	–	–	–	90.6	–	90.6
Charge deferred in equity	–	(2.1)	–	–	(0.4)	–	–	(2.5)
At 31 December 2021 and 1 January 2022	(1,371.0)	115.0	(23.1)	(61.3)	(102.9)	127.6	–	(1,315.7)
(Charge)/credit to income	(79.2)	1.4	(48.5)	(15.6)	(9.8)	(3.1)	–	(154.8)
Reclassification	(16.9)	7.8	–	9.1	–	–	–	–
Charge deferred in equity	–	4.9	–	–	0.8	–	–	5.7
At 31 December 2022	(1,467.1)	129.1	(71.6)	(67.8)	(111.9)	124.5	–	(1,464.8)

The charge to the income statement of \$154.8 million (2021 – \$206.8 million) included an impact from foreign exchange differences of nil (2021 – nil).

Certain deferred tax assets and liabilities have been offset. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, which under Chilean tax regulations is only possible within individual legal entities.

The following is the analysis of the deferred tax balance (after offset):

	2022 \$m	2021 \$m
Net deferred tax assets	78.5	96.8
Net deferred tax liabilities	(1,543.3)	(1,412.5)
Net deferred tax balances	(1,464.8)	(1,315.7)

At 31 December 2022, the Group had unused tax losses associated with Chilean entities (predominantly Antucoya) of \$460.3 million (2021 – \$472.5 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 \$124.5 million has been recognised in respect of 100% of these losses as at 31 December 2022 (31 December 2021 – \$127.6 million). In addition, at 31 December 2022, the Group had unused tax losses associated with entities outside of Chile (predominantly in respect of the Twin Metals project) of \$427.0 million (2021 – \$428.0 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 2021, the Group recognised \$90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, reflecting the improved actual and forecast profitability of the relevant Group entity (Antucoya). That entity has continued to generate taxable profits during 2022, utilising \$10.9 million of the deferred tax asset during the year.

At 31 December 2022, deferred withholding tax liabilities of \$71.6 million have been recognised (31 December 2021 – \$23.1 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 \$6,430.4 million (31 December 2021 – \$6,483.3 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 \$1,076.5 million (31 December 2021 – \$1,232.1 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 \$1,464.8 million (2021 – \$1,315.7 million) includes \$1,404.7 million (2021 – \$1,272.6 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.

29 Decommissioning and restoration provisions

	2022 \$m	2021 \$m
Balance at the beginning of the year	(336.1)	(520.2)
Charge to operating profit in the year	(15.4)	(11.3)
Unwind of discount to net interest in the year	(10.1)	(2.6)
Adjustment to provision discount rates	(1.6)	30.8
Capitalised adjustment to provision	(173.8)	119.9
Utilised in year	49.7	33.8
Foreign currency exchange difference	(0.9)	13.5
Balance at the end of the year	(488.2)	(336.1)
Short-term provisions	(33.2)	(33.8)
Long-term provisions	(455.0)	(302.3)
Total	(488.2)	(336.1)

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 2022, the Centinela and Antucoya 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 2022, the real discount rates ranged from 1.67% to 1.73% (31 December 2021: 2.3% to 2.5%).

It is estimated that the provision will be utilised from 2023 until 2066 based on current mine plans, with approximately 15% of the total provision balance expected to be utilised between 2023 and 2031, approximately 49% between 2032 and 2041, approximately 10% between 2042 and 2051 and approximately 26% between 2052 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. 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.

30 Share capital and other reserves

(I) Share capital

The ordinary share capital of the Company is as follows:

	2022 Number	2021 Number	2022 \$m	2021 \$m
Authorised				
Ordinary shares of 5p each	1,300,000,000	1,300,000,000	118.9	118.9
	2022 Number	2021 Number	2022 \$m	2021 \$m
Issued and fully paid				
Ordinary shares of 5p each	985,856,695	985,856,695	89.8	89.8

The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary share carries one vote at any general meeting.

There were no changes in the authorised or issued share capital of the Company in either 2022 or 2021. Details of the Company's preference share capital, which is included within borrowings in accordance with IAS 32 Financial Instruments, are given in Note 23A(x).

30 Share capital and other reserves *continued***(II) Other reserves and retained earnings**

Details of the share premium account, hedging, fair value and translation reserves and retained earnings for both 2022 and 2021 are included within the consolidated statement of changes in equity on page 182.

	2022 \$m	2021 \$m
Share premium		
At 1 January and 31 December	199.2	199.2
Hedging reserves¹		
At 1 January	–	(23.9)
Parent and subsidiaries net cash flow hedge fair value losses	–	(100.4)
Parent and subsidiaries net cash flow hedge losses transferred to the income statement	–	126.8
Tax on the above	–	(2.5)
At 31 December	–	–
Equity investment revaluation reserve²		
At 1 January	(7.4)	(5.3)
Gains/(losses) on equity investment	15.8	(2.1)
At 31 December	8.4	(7.4)
Foreign currency translation reserves³		
At 1 January	(3.0)	(1.4)
Currency translation adjustment	(0.4)	(1.6)
At 31 December	(3.4)	(3.0)
Total other reserves per balance sheet	5.0	(10.4)
Retained earnings		
At 1 January	8,071.6	7,492.2
Parent and subsidiaries' profit for the period	1,484.9	1,230.5
Equity accounted units' profit after tax for the period	48.1	59.7
Actuarial (losses)/gains ⁴	(8.2)	–
Total comprehensive income for the year	1,524.8	1,290.2
Dividends paid	(1,262.9)	(710.8)
At 31 December	8,333.5	8,071.6

1. The hedging reserve records gains or losses on cash flow hedges that are recognised initially in equity (through other comprehensive income), as described in Note 25.

2. The equity investments revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 19.

3. Exchange differences arising on the translation of the Group's net investment in foreign-controlled companies are taken to the foreign currency translation reserve. The cumulative differences relating to an investment are transferred to the income statement when the investment is disposed of.

4. Actuarial gains or losses relating to long-term employee benefits, as described in Note 26.

31 Non-controlling interests

The non-controlling interests of the Group during 2022 and 2021 are as follows:

	Non-controlling Interest %	Country	At 1 January 2022 \$m	Share of profit for the financial year \$m	Capital Increase \$m	Share of dividends \$m	Hedging and actuarial gains \$m	At 31 December 2022 \$m
Los Pelambres	40.0	Chile	1,204.5	320.4	–	(80.0)	(1.9)	1,443.0
Centinela	30.0	Chile	1,275.9	82.9	–	–	(2.0)	1,356.8
Antucoya	30.0	Chile	198.4	21.2	–	–	(0.3)	219.3
Encierro	43.5	Chile	–	(2.2)	–	–	–	(2.2)
Total			2,678.8	422.3	–	(80.0)	(4.2)	3,016.9

	Non-controlling Interest %	Country	At 1 January 2021 \$m	Share of profit/(losses) for the financial year \$m	Capital Increase \$m	Share of dividends \$m	Hedging and actuarial gains/(losses) \$m	At 31 December 2021 \$m
Los Pelambres	40.0	Chile	1,107.3	608.0	–	(512.0)	1.2	1,204.5
Centinela	30.0	Chile	1,113.7	252.2	–	(92.5)	2.5	1,275.9
Antucoya	30.0	Chile	109.5	84.4	–	–	4.5	198.4
Total			2,330.5	944.6	–	(604.5)	8.2	2,678.8

The proportion of the voting rights is proportional with the economic interest for each of the companies listed above.

Summarised financial position and cash flow information for the years ended 2022 and 2021 is set out below:

	Los Pelambres 2022 \$m	Centinela 2022 \$m	Antucoya 2022 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	249.3	134.9	46.1
Current assets	1,373.2	1,170.7	340.6
Non-current assets	5,413.3	4,752.3	1,367.2
Current liabilities	(725.8)	(553.3)	(153.1)
Non-current liabilities	(2,408.8)	(1,011.8)	(405.0)
Net cash from operating activities	1,060.9	762.2	162.1
Net cash used in investing activities	(881.0)	(879.8)	(65.1)
Net cash from/(used in) financing activities	44.8	(163.2)	(174.3)

	Los Pelambres 2021 \$m	Centinela 2021 \$m	Antucoya 2021 \$m
Non-controlling interest (%)	40.0%	30.0%	30.0%
Cash and cash equivalents	14.2	122.7	48.4
Current assets	1,073.3	1,358.0	381.4
Non-current assets	4,593.8	4,561.2	1,354.6
Current liabilities	(519.1)	(714.5)	(183.8)
Non-current liabilities	(2,123.0)	(1,082.6)	(364.9)
Net cash from operating activities	1,816.8	1,885.5	295.3
Net cash used in investing activities	(878.6)	(837.6)	(49.3)
Net cash used in financing activities	(1,408.4)	(1,152.6)	(206.9)

Notes to the summarised financial position and cash flow

- (i) The amounts disclosed for each subsidiary are based on the amounts included in the consolidated financial statements (100% of the results and balances of the subsidiary rather than the non-controlling interest proportionate share) before inter-company eliminations.
- (ii) Summarised income statement information is shown in the segment information in Note 6.
- (iii) There are some subsidiaries including Encierro with a non controlling interest portion not included in this note where those portions are not material to the Group.

32 Notes to the consolidated cash flow statement**A) Reconciliation of profit before tax to cash flow from operations**

	2022 \$m	2021 \$m
Profit before tax	2,558.9	3,477.1
Depreciation	1,141.1	1,078.7
Net loss on disposals	2.1	9.2
Net finance expense/(income)	68.2	(16.0)
Net share of results of associates and joint ventures	(48.1)	(59.7)
Gain on disposal of investment in joint venture	(944.7)	–
Provision against carrying value of assets	–	177.6
(Increase)/decrease in inventories	(180.7)	10.9
Decrease/(increase) in debtors	27.0	(206.8)
Increase in creditors	141.0	55.7
Decrease in provisions	(26.5)	(19.0)
Cash flow generated from operations	2,738.3	4,507.7

B) Analysis of changes in net debt

	At 1 January 2022 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Other \$m	Exchange \$m	At 31 December 2022 \$m
Cash and cash equivalents	743.4	65.6	–	–	–	–	–	1.4	810.4
Liquid investments	2,969.7	(1,388.9)	–	–	–	–	–	–	1,580.8
Total cash and cash equivalents and liquid investments	3,713.1	(1,323.3)	–	–	–	–	–	1.4	2,391.2
Borrowings due within one year	(268.0)	373.9	–	–	–	(483.3)	–	–	(377.4)
Borrowings due after one year	(2,742.1)	(488.5)	–	(11.7)	(6.3)	483.3	(0.1)	–	(2,765.4)
Leases due within one year	(69.1)	105.4	–	–	–	(80.7)	–	(10.7)	(55.1)
Leases due after one year	(90.7)	–	(51.3)	–	–	80.7	(1.0)	(14.3)	(76.6)
Preference shares	(2.7)	–	–	–	–	–	–	0.2	(2.5)
Total borrowings	(3,172.6)	(9.2)	(51.3)	(11.7)	(6.3)	–	(1.1)	(24.8)	(3,277.0)
Net cash/(debt)	540.5	(1,332.5)	(51.3)	(11.7)	(6.3)	–	(1.1)	(23.4)	(885.8)

	At 1 January 2021 \$m	Cash flow \$m	New leases \$m	Amortisation of finance costs \$m	Capitalisation of interest \$m	Movement between maturity categories \$m	Other \$m	Exchange \$m	At 31 December 2021 \$m
Cash and cash equivalents	1,246.8	(483.1)	–	–	–	–	–	(20.3)	743.4
Liquid investments	2,426.0	543.7	–	–	–	–	–	–	2,969.7
Total cash and cash equivalents and liquid investments	3,672.8	60.6	–	–	–	–	–	(20.3)	3,713.1
Borrowings due within one year	(529.8)	545.6	–	–	–	(294.2)	10.4	–	(268.0)
Borrowings due after one year	(3,013.8)	–	–	(5.7)	(16.6)	294.2	–	(0.2)	(2,742.1)
Leases due within one year	(73.6)	88.9	–	–	–	(84.4)	–	–	(69.1)
Leases due after one year	(134.9)	–	(61.8)	–	–	84.4	–	21.6	(90.7)
Preference shares	(2.7)	–	–	–	–	–	–	–	(2.7)
Total borrowings	(3,754.8)	634.5	(61.8)	(5.7)	(16.6)	–	10.4	21.4	(3,172.6)
Net debt	(82.0)	695.1	(61.8)	(5.7)	(16.6)	–	10.4	1.1	540.5

C) Net (debt)/cash

	2022 \$m	2021 \$m
Cash, cash equivalents and liquid investments	2,391.2	3,713.1
Total borrowings and other financial liabilities	(3,277.0)	(3,172.6)
Net (debt)/cash	(885.8)	540.5

33 Exchange rates

Assets and liabilities denominated in foreign currencies are translated into US dollars and Sterling at the period-end rates of exchange.

Results denominated in foreign currencies have been translated into US dollars at the average rate for each period.

	2022	2021
Year-end rates	\$1.2080=£1; \$1 = Ch\$855.86	\$1.3490=£1; \$1 = Ch\$844.69
Average rates	\$1.2340=£1; \$1 = Ch\$872.38	\$1.3750=£1; \$1 = Ch\$759.81

34 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, and in which members of the Luksic family are interested. Two Directors of the Company, Jean-Paul Luksic and Andronico Luksic, 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 made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of \$309.9 million (2021 – \$263.9 million). The balance due to ENEX SA at the end of the year was \$28.6 million (2021 – \$20.4 million),
- the Group earned interest income of \$0.8 million (2021 – \$0.1 million) during the year on investments with BanChile Administradora General de Fondos SA, a subsidiary of Quiñenco. Investment balances at the end of the year were nil (2021 – \$2.2 million),
- the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, of \$12.7 million (2021 – \$8.9 million). The balance due to Hapag Lloyd at the end of the year was \$0.3 million (2021 – \$0.4 million),
- the Group made purchases of technology services from ARTIKOS CHILE SA, a subsidiary of Quiñenco, of \$0.2 million (2021 – \$0.2 million). The balance due to ARTIKOS CHILE SA at the end of the year was nil (2021 – nil).

B) Compañía de Inversiones Adriático SA

In 2022, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family are interested, at a cost of \$0.4 million (2021 – \$0.8 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 are interested. During the year ended 31 December 2022, the Group incurred \$0.1 million (year ended 31 December 2021 – \$0.1 million) of exploration expense at these properties.

D) Tethyan Copper Company Limited

On 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which is therefore no longer recognised as a joint venture by the Group. The group contributed nil (2021 – \$9.5 million) to Tethyan during 2022.

E) Compañía Minera Zaldívar SpA

The Group has a 50% interest in Zaldívar (see Note 18), 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 (2021 – \$2.5 million). During 2022, Zaldívar declared dividends of \$50.0 million to the Group (2021 – \$77.5 million).

F) Directors and other key management personnel

Information relating to Directors' remuneration and interests is given in the Remuneration Report on page 159. Information relating to the remuneration of key management personnel including the Directors is given in Note 9.

35 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 judgements 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.

36 Ultimate Parent Company

The immediate parent of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested.

Both Metalinvest Establishment and the E. Abaroa Foundation are domiciled in Liechtenstein. Information relating to the interest of Metalinvest Establishment and the E. Abaroa Foundation is given in the Directors' Report.

Financial statements of the Parent Company (Antofagasta plc)

Parent Company balance sheet

	Note	2022 \$m	2021 \$m
Non-current assets			
Investment in subsidiaries	5	589.1	529.1
Other receivables ¹	5	54.0	54.0
Property, plant and equipment		4.4	5.1
		647.5	588.2
Current assets			
Other receivables ¹	5	744.6	3.8
Liquid investments		457.6	1,649.4
Cash and cash equivalents		238.5	422.8
		1,440.7	2,076.0
Total assets		2,088.2	2,664.2
Current liabilities			
Amounts payable to subsidiaries	6	(615.7)	(302.2)
Other payables		(9.2)	(15.4)
		(624.9)	(317.6)
Non-current liabilities			
Medium and long-term borrowings	7	(992.2)	(993.4)
		(992.2)	(993.4)
Total liabilities		(1,617.1)	(1,311.0)
Net assets		471.1	1,353.2
Equity			
Share capital		89.8	89.8
Share premium		199.2	199.2
Retained earnings			
At 1 January		1,064.2	626.0
Profit for the year attributable to the owners		380.8	1,149.0
Dividends		(1,262.9)	(710.8)
At 31 December		182.1	1,064.2
Total equity		471.1	1,353.2

1. The prior period comparatives have been restated to reflect a reclassification from current other receivables to non-current other receivables of \$54.0 million (see note 5).

The financial statements on pages 234 to 237 were approved by the Board of Directors on 23 March 2023 and signed on its behalf by

Jean-Paul Luksic
Chairman

Tony Jensen
Senior Independent Director

Parent Company statement of changes in equity

	Share capital \$m	Share premium \$m	Retained earnings \$m	Total equity \$m
At 1 January 2021	89.8	199.2	626.0	915.0
Comprehensive income for the year	–	–	1,149.0	1,149.0
Dividends	–	–	(710.8)	(710.8)
At 31 December 2021	89.8	199.2	1,064.2	1,353.2
Comprehensive income for the year	–	–	380.8	380.8
Dividends	–	–	(1,262.9)	(1,262.9)
At 31 December 2022	89.8	199.2	182.1	471.1

The ordinary shares rank after the preference shares in entitlement to dividends and on a winding-up. Each ordinary share carries one vote at any general meeting.

Antofagasta plc is a company limited by shares, incorporated and domiciled in the United Kingdom at 103 Mount Street, London W1K 2TJ.

1 Basis of preparation of the Parent Company financial statements

The Antofagasta plc Parent Company financial statements have been prepared in accordance with the Companies Act 2006 applicable to companies using FRS 101, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements. The financial information has been prepared on an historical cost basis. The financial statements have been prepared on a going concern basis. The functional currency of the Company and the presentation currency adopted is US dollars.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'
 - (ii) paragraph 73(e) of IAS 16, 'Property, plant, and equipment'
 - (iii) paragraph 118(e) of IAS 38, Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group. All of the Parent Company's inter-company transactions and balances are with wholly-owned subsidiaries of the Group.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The profit after tax for the year of the Parent Company amounted to \$380.8 million (2021 – \$1,149.0 million).

2 Principal accounting policies of the Parent Company

A summary of the principal accounting policies is set out below. These accounting policies have been applied consistently.

A) Currency translation

The Company's functional currency is the US dollar. Transactions in currencies other than the functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities, including amounts due from or to subsidiaries, denominated in currencies other than the functional currency (being US dollars) are retranslated at year-end exchange rates. Gains and losses on retranslation are included in net profit or loss for the year.

B) Revenue recognition

Dividends proposed by subsidiaries are recognised as income by the Company when they represent a present obligation of the subsidiaries, in the period in which they are formally approved for payment.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

C) Dividends payable

Dividends proposed are recognised when they represent a present obligation, in the period in which they are formally approved for payment. Accordingly, an interim dividend is recognised when paid and a final dividend is recognised when approved by shareholders.

D) Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries and long-term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments relating to equity holdings in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable; the recoverable amount of the investment is the higher of fair value less costs of disposal and value in use. Investments relating to long-term amounts owed by subsidiaries are reviewed to assess if a material expected credit loss provision is required in respect of these balances.

E) Liquid investments and cash and cash equivalents

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short-term cash commitments. Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

F) Borrowings

Interest-bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

G) Borrowings – preference shares

The sterling-denominated preference shares issued by the Company carry a fixed rate of return without the right to participate in any surplus. They are accordingly classified as borrowings and translated into US dollars at year-end rates of exchange. Preference share dividends are included within finance costs.

H) Equity instruments – ordinary share capital and share premium

Equity instruments issued are recorded at the proceeds received, net of direct issue costs. Equity instruments of the Company comprise its sterling-denominated issued ordinary share capital and related share premium.

The presentational and the functional currency of the Company is US dollars, and ordinary share capital and share premium are translated into US dollars at historical rates of exchange based on dates of issue.

I) Financing facilities

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 (see Note 23F).

3 Significant accounting estimates and judgements

We do not consider there to be critical accounting judgements or key sources of estimation uncertainty which could have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year. We have set out below the most significant judgements and estimates applied in the preparation of the Company's balance sheet. The most significant accounting judgement is whether there are impairment indicators in respect of the carrying value of the Company's investments in subsidiaries, which have a total carrying value as at 31 December 2022 of \$589.1 million. The most significant accounting estimate is whether a credit loss provision is required in respect of any of the Company's receivable balances. Over 99% of the receivable balances relate to inter-company balances, primarily with Group holding companies which hold the Group's investments in the operating companies. There is not considered to be any significant risk of a relevant overstatement of these carrying values. In assessing this, the Group has considered the overall market capitalisation of the Group, which was \$18.4 billion at 31 December 2022, the cash and other assets held by the relevant Group companies and the level of earnings generated by the Group's operations.

4 Employee Benefit Expense

i) Average number of employees

The average monthly number of employees was 4 (2021 – 4), engaged in management and administrative activities.

ii) Aggregate remuneration

The aggregate remuneration of the employees mentioned above was as follows:

	2022 \$m	2021 \$m
Wages and salaries	2.3	2.3
Social security costs	0.3	0.3
Other pension costs	0.1	0.1
	2.7	2.7

The above employee figures exclude Directors who receive Directors' fees from Antofagasta plc. Details of fees payable to Directors are set out in the Remuneration Report.

5 Subsidiaries

i) Investment in subsidiaries

	2022 \$m	2021 \$m
Shares in subsidiaries at cost ¹	120.6	60.6
Amounts owed by subsidiaries due after more than one year	468.5	468.5
	589.1	529.1

	Shares \$m	Loans \$m	Total \$m
1 January 2022	60.6	468.5	529.1
31 December 2022	120.6	468.5	589.1

1. The \$60.0m increase in the shares in subsidiaries balance reflects the acquisition by the Company of additional shares issued by the Company's direct subsidiary Andean LFMA Limited during the year.

The Company has reviewed whether there are any indicators of impairment in respect of the investment balance and concluded that there are no such indicators.

The above amount of \$468.5 million (31 December 2021 – \$468.5 million) in respect of amounts owed by subsidiaries due after more than one year relates to long-term funding balances for which the Company does not expect to demand repayment in the foreseeable future and which form an integral part of the Company's long-term investment in those subsidiary companies.

ii) Trade and other receivables – amounts owed by subsidiaries due after one year

At 31 December 2022, an amount of \$54.0 million (31 December 2021 – \$54.0 million) was owed to the Company by indirect subsidiaries. This amount is not expected to be realised within twelve months after the reporting period. The prior period comparatives have been restated to reflect a reclassification of this amount from current other receivables to non-current other receivables, again reflecting that this amount was not expected to be realised within twelve months after the reporting period. There have been no impairments recognised in respect of subsidiary receivables as at 31 December 2022.

iii) Trade and other receivables – amounts owed by subsidiaries due within one year

At 31 December 2022, amounts owed by subsidiaries due within one year were \$744.6 million (31 December 2021 – \$3.8 million). These balances principally relate to \$410.0 million inter-company dividends declared but not yet paid to the Company by its immediate subsidiary companies. In addition, there is a \$328.0 million receivable balance relating to short-term intragroup funding arrangements. There have been no impairments recognised in respect of subsidiary receivables as at 31 December 2022.

6 Amounts payable to subsidiaries

At 31 December 2022, amounts payables to subsidiaries due within one year were \$615.7 million (31 December 2021 – \$302.2 million). This increase in the balance during the year reflects a \$328.0 million payable balance relating to short-term intragroup funding arrangements.

7 Borrowings – preference shares

The authorised, issued and fully paid preference share capital of the Company comprised 2,000,000 5% cumulative preference shares of £1 each at both 31 December 2022 and 31 December 2021. As explained in Note 23C, the preference shares are recorded in the balance sheet in US dollars at period-end rates of exchange.

The preference shares are non-redeemable and are entitled to a fixed 5% cumulative dividend, payable in equal instalments in June and December of each year. On a winding-up, the preference shares 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 (see Note 23A (x)) at any general meeting.

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ANTOFAGASTA PLC

Antofagasta plc
5.625% Senior Notes due 2035

LISTING MEMORANDUM

Global Coordinators and Joint Book-Running Managers

BofA Securities

Credit Agricole CIB

J.P. Morgan

Joint Book-Running Managers

BBVA

**Goldman Sachs &
Co. LLC**

MUFG

Natixis

Scotiabank

**UBS Investment
Bank**

October 24, 2025.