Los Pelambres - Site Visit

December 6th, 2016

Robert Mayne Nicholls
General Manager
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Past performance cannot be relied on as a guide to future performance.
Key Messages

- Emphasis on profitable tonnes
- Focus on cost and operational reliability
- Positioned for growth
- Creating long term value through Sustainability
- Leaders in innovation

- Only profitable production
- Every tonne must make an earnings contribution
- Rebase costs
- Protect margins
- Planning and forecasting
- Advance organic growth projects for approval
- Robust balance sheet
- New community engagement model
- Social licence to operate or grow
- History of innovation
- Enables sustainability and lower costs
- Embedded practice
Safety first - 24 months with zero fatalities

Focus on:

- Identify and assess key fatality and serious injury risks.
- Preventative reporting and investigation of high-potential near misses.
- On-the-ground executive safety leadership.
- Development of verification tools for the implementation of critical controls of the transversal fatality risks for each Company.
- Progress in communications and culture.

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**High Potential (HP) Incidents:** Total number of HP accidents and HP Near misses

*Near-miss index:* Represents total number of high potential near misses for every million hours worked.

*Near-miss index Target 2016: 17*
Overview
Los Pelambres overview

- **Ownership structure**
  - 60% Antofagasta
  - 15% MM LP Holding
  - 25% Nippon LP Investment

- **History**
  - Part of Antofagasta since 1985
  - Large scale mining commenced in 1999

- **Location**
  - 240km north-east of Santiago

- **Facilities overview**
  - Concentrator with 175ktpd throughput capacity

- **Production**
  - 5th largest copper producer in Chile

- **Life of Mine**
  - 23 years (Reserves)

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### 2016 Guidance

<table>
<thead>
<tr>
<th></th>
<th>Cu Conc. C1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YTD Q3 2016</strong></td>
<td></td>
</tr>
<tr>
<td>Production (t)</td>
<td>259,300</td>
</tr>
<tr>
<td>($/lb)</td>
<td>1.04</td>
</tr>
<tr>
<td>Guidance 2016</td>
<td></td>
</tr>
<tr>
<td>Production (t)</td>
<td>355,000 - 365,000</td>
</tr>
<tr>
<td>($/lb)</td>
<td>1.25</td>
</tr>
</tbody>
</table>
Mine site visit

To be visited
Concentrator plant site visit

To be visited

1.600 m.a.s.l
Throughput: 175 ktpd.
Background: a story of sustained growth

1914  William Braden first explored in the area of the Los Pelambres deposit

1969 – 71  ENAMI carries out exploration to define the deposit’s potential

1978  Anaconda Minerals buys the Los Pelambres deposit rights that had been tendered by ENAMI

1985  Antofagasta Holdings buys Anaconda Chile and its right over the Los Pelambres deposit

1992  Minera El Chacay starts its small – scale underground operations (5 ktpd)

1997  EIA approved and construction starts. Japanese partners take 40% interest. Bank financing obtained

1999  Successful Ramp – up completed in 84 days with a capacity of 85 ktpd

2004 – 09  Several expansion projects take the processing capacity to 175 ktpd

2016 +  Desalination plant and water pipeline EIA submission (enabling LT expansions)

**Throughput (nominal capacity)**

- 85 ktpd
- 126 ktpd
- 159 ktpd
- 175 ktpd
- 190 ktpd

- 5 ktpd

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</tbody>
</table>
Los Pelambres, a world-class asset

- Los Pelambres’s ownership
  - Antofagasta Group 60%
  - MM LP Holding BV 15%
  - Nippon LP Investment 25%
- Chile’s 5th largest copper producer
  - ~ 140 Mt/year total material movement with competitive stripping ratio
  - ~ 175 ktpd throughput capacity
- Total manpower of 4,709 (906 employees + 3,803 contractors)
- Focus on optimise our processes and lowering our cost base to strengthen margins
- Chile’s 7th largest deposit (reserves & resources)
  - Incremental Expansion project will allow MLP to maximise the value of its resources
One of our main operating challenges: ore hardness

Guidance

Cu production

Hardness (%) of ore fed to plant
## Reserves and Resources

### Reserves:

<table>
<thead>
<tr>
<th>Los Pelambres</th>
<th>Tonnage (millions of tonnes)</th>
<th>Copper (%)</th>
<th>Molybdenum (%)</th>
<th>Gold (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>704</td>
<td>0.61</td>
<td>0.022</td>
<td>0.05</td>
</tr>
<tr>
<td>Probable</td>
<td>604</td>
<td>0.60</td>
<td>0.015</td>
<td>0.04</td>
</tr>
<tr>
<td><strong>Total</strong>(1)</td>
<td><strong>1.309</strong></td>
<td><strong>0.61</strong></td>
<td><strong>0.019</strong></td>
<td><strong>0.05</strong></td>
</tr>
</tbody>
</table>

### Resources:

<table>
<thead>
<tr>
<th>Los Pelambres</th>
<th>Tonnage (millions of tonnes)</th>
<th>Copper (%)</th>
<th>Molybdenum (%)</th>
<th>Gold (g/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>1.151</td>
<td>0.59</td>
<td>0.022</td>
<td>0.05</td>
</tr>
<tr>
<td>Indicated</td>
<td>2.263</td>
<td>0.53</td>
<td>0.015</td>
<td>0.05</td>
</tr>
<tr>
<td>Inferred</td>
<td>2.690</td>
<td>0.46</td>
<td>0.015</td>
<td>0.06</td>
</tr>
<tr>
<td><strong>Total</strong>(1)</td>
<td><strong>6.104</strong></td>
<td><strong>0.51</strong></td>
<td><strong>0.016</strong></td>
<td><strong>0.06</strong></td>
</tr>
</tbody>
</table>

*Note: Information as of 31 Dec 2015*
Integrated production process & facilities

- **MINE**
  - Wastedump
  - 52 Komatsu 930E Trucks
  - 5 Electric shovels
  - 2 Front-end loaders

- **MINE STOCKPILE**
  - 2 Gyratory Crushers

- **PLANT STOCKPILE**
  - Conveyor Belt Tunnel
  - 3 SAG Mills
  - 6 Ball Mills

- **Diagram Details**
  - 3 Tailings Thickener
  - 58 Rougher Cells
  - El Mauro Tailings Dam
  - 28 Cyclones
  - 3 Vertical Mills
  - 14 Column cells
  - 2 Cu - Mo Thickener
  - Molybdenum Plant
  - 8 Ceramic filters
  - Molybdenum concentrate
  - Punta Chungo Concentrate Shipment
Mine plan

- **Phase 7**: (until 2021)
- **Phase 8**: (until 2018)
- **Phase 9**: (2021 to 2026)
- **Phase 10**: (2018 to 2026)
- **Phase 11**: (2027 to 2034)
- **Phase 12**: (2030 to 2037)
## Fleet and mining equipment

<table>
<thead>
<tr>
<th>Type</th>
<th>Brand - Model</th>
<th>Nº of units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drilling</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>Atlas Copco Pit Viper 351 (E)</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Atlas Copco Pit Viper 351 (D)</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Atlas Copco Pit Viper 316</td>
<td>1</td>
</tr>
<tr>
<td>Support</td>
<td>Atlas Copco ROC L-8</td>
<td>4</td>
</tr>
<tr>
<td><strong>Loading</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shovels</td>
<td>P&amp;H 4100 A</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>P&amp;H 4100 XPB</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>P&amp;H 4100 XPC</td>
<td>1</td>
</tr>
<tr>
<td>Loaders</td>
<td>LeTourneau L1850 GII</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>LeTourneau L2350</td>
<td>1</td>
</tr>
<tr>
<td><strong>Haulage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Komatsu</td>
<td>K930E</td>
<td>52</td>
</tr>
</tbody>
</table>
## Concentrator plant description

<table>
<thead>
<tr>
<th>Plant Specifications</th>
<th>Throughput: 175 ktpd</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recovery → Cu: 90% / Mo: 81%</td>
</tr>
<tr>
<td></td>
<td>Cycle length: Continuous Operation</td>
</tr>
</tbody>
</table>

### Crushing and conveyor
- 2 Primary Crushers: Gyratory, 60”x113”, 1000 HP each
- Ore conveyor: 3 Conveyor belts of 12.8 Km of total length, 10 motors of 3300 HP each

### Milling
- SAG mills: 3 SAG mills, 36’x17’, 20.000 HP each
- Ball mills:
  - 5 Ball mills, 21’x33’, 10.500 HP each
  - 1 Ball mill, 26’x40’ 20.700 HP

### Flotation
- 36 rougher cells of 130 m³ each
- 22 rougher cells of 250 m³
- 18 scavenger cells of 130 m³
- 14 cells columns of 14 m height
### Tailings and transport

<table>
<thead>
<tr>
<th>Authorised Capacity: 1.700 Mtons</th>
<th>Recirculation system with capacity for 1100 lts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction method: Downstream</td>
<td>Safety spillway to evacuate 20 m3/s</td>
</tr>
<tr>
<td>Operates under D.S. 248 (authorised with the former one)</td>
<td>Perimeter canals and tailings dam to return water to Pupio stream</td>
</tr>
<tr>
<td>Current tailings: 452 Mton</td>
<td>Construction of tailings cycloned sand wall in cyclones cluster.</td>
</tr>
<tr>
<td>Maximum wall height: 237 m</td>
<td>Current height: 163 m</td>
</tr>
</tbody>
</table>
Port

Concentrate thickeners and filters
- Type: Ceramic Filters (8 units)
- Capacity: 22,5 wmt/h (each one)

Concentrate warehouse
- Capacity: 130,000 wmt

Shiploader
- Type: SLRQ 1900.57/19 OX Radial Quadrant
- Capacity: 1,800 wmt/h
- Length: 180-220 m (Radial movement)
Our strategic objective
Positioning MLP in the first cost quartile of the industry in the medium term

<table>
<thead>
<tr>
<th>Area</th>
<th>Cost Savings 2015</th>
<th>Cost Savings H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services Productivity</td>
<td>US$ 28m</td>
<td>US$ 25m</td>
</tr>
<tr>
<td>Operational &amp; Maintenance Management</td>
<td>US$ 45m</td>
<td>US$ 26m</td>
</tr>
<tr>
<td>Corporate &amp; Organisational Effectiveness</td>
<td>US$ 4m</td>
<td></td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>US$ 1m</td>
<td>US$ 1m</td>
</tr>
</tbody>
</table>
We operate a single open pit mine

- Total material movement of ~ 140 Mt/year
- Competitive stripping ratio of ~ 1.2
- Life of mine: 21 years

Ore hardness is a challenge being mitigated by mining practices and improved plant utilisation, and in the long term with the expansion project

Successful management of dust emissions

Initiatives to optimise mine performance

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Status</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of fatigue devices</td>
<td>Being implemented</td>
<td>Reduction of accident risk of trucks operators</td>
</tr>
<tr>
<td>Mine to Mill</td>
<td>Already implemented</td>
<td>Better ore particle size to feed concentrator plant</td>
</tr>
<tr>
<td>Reviewing key contracts</td>
<td>On going</td>
<td>Cost reduction</td>
</tr>
<tr>
<td>Optimising workforce</td>
<td>On going</td>
<td>Improve productivity and reduce cost</td>
</tr>
<tr>
<td>OEE Optimisation</td>
<td>On going</td>
<td>Increase effective operating time of equipment</td>
</tr>
</tbody>
</table>
Plant initiatives to capture full potential

- We operate a 175 ktpd concentrator plant that includes 3 SAG Mills and 6 Ball Mills
- Ore hardness is challenging plant performance (tons per hour)
- Consolidation of continuous improvement initiatives through the implementation of new operational excellence area

Initiatives to unlock the plant potential

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Status</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce unexpected events</td>
<td>Being implemented</td>
<td>Optimise plant reliability</td>
</tr>
<tr>
<td>Several initiatives to increase plant recovery</td>
<td>Already implemented</td>
<td>Recovery improvement</td>
</tr>
<tr>
<td>Reviewing key contracts</td>
<td>On going</td>
<td>Cost reduction and service optimisation</td>
</tr>
<tr>
<td>De-bottleneck lime plant</td>
<td>Under evaluation</td>
<td>Optimise mix feed to plant to reduce ore hardness</td>
</tr>
</tbody>
</table>
Strong commitment to renewable energy

Renewable energies:

- Antofagasta has made important efforts to include clean energy directly in its operations.
- From its beginning, MLP takes advantage from its conveyor belts to generate energy, contributing with 9% of the Company’s total energy consumption.
- Benefitting from Javiera photovoltaic plant energy supply, during the second half of 2015, MLP achieved a new advance to integrate sources of renewable energies. This energy contributes with about 15% of the energy requirements of MLP.
- El Arrayán wind farm, the largest wind farm of its type built in Chile, was inaugurated in August 2014 and it supplies approximately 20% of MLP’s energy demand.
We **ARTICULATE** regional government and municipalities interaction with private companies and communities, committed to local development in a **CONSORTIUM** responsible for watching over the implementation of **Somos Choapa** and its initiatives.
<table>
<thead>
<tr>
<th>Influence area</th>
<th>Initiatives under execution</th>
<th>Planned initiatives</th>
</tr>
</thead>
</table>
| **Illapel**    | REMODELING CONSTITUCIÓN STREET  
(In development) | Design for Liceo Politécnico of Illapel |
| Participative Process | REMODELING RAMÓN “MONCHO” VEGA STADIUM (In development) | REVOLVING FUND FOR EXTRAPREDIAL IRRIGATION |
| 22 diverse occasions for citizen participation, with nearly 2,000 attendees in total. | SPORTS AND COMMUNITY CENTER EL POLÍGONO | BORDE RIO: Irrigation Study; Title Study |
|                | SPORTS AND COMMUNITY CENTER LA AGUADA  
(In development) | UNDERGROUND WORKS AV INFANTE (In bidding) |
|                | SOCIAL CENTER LUISÍN LANDÁEZ  
(In development) | IMPROVEMENT HOUSE OF CULTURE (In bidding) |
| **Salamanca**  | SOCIAL CENTER OF RAYUELA 12 DE OCTUBRE  
(In development) | SANTA ROSA PLAZA |
| 6 Territorial meeting 1,260 participants | JV CENTER CHALINGA RIVER  
(In development) | Salamanca Park Park Design |
|                | IMPROVEMENT PANGUESILLO FIELD  
(In bidding) | |
| **Los Vilos**  | PACA MEETING March 30th 2016 (Anticipated citizen participation) | |
| Participative Process | PLADECO 2015 – 2019 (Plan for Community Development) | |
| 22 diverse occasions for citizen participation, with nearly 2,000 attendees in total. | Forming Citizen Committee for the Installation of Somos Choapa Los Vilos | |
Los Pelambres – El Mauro tailings dam

Outstanding court cases resolved

- Two longstanding claims concerning:
  - Quality and quantity of water in stream
  - Ability of dam wall to withstand extreme seismic event
- Formal and transparent dialogue with community to understand concerns and share views
- Agreement reached with community in April 2016
- Both court cases resolved in favour of Los Pelambres in August 2016
Growth opportunities

Incremental Expansion Phase 1
Throughput expansion to 190 ktpd under existing permits. New grinding and flotation circuit to counter the increasing hardness of the ore.

Cu: 60 ktpa  Capex: US$ 1,100m

Feasibility study completion and investment decision

Earliest Start of Construction

Ramp up

2016

2017

2018

2019

2020+

Incremental Expansion Phase 2
Throughput expansion to 205 ktpd. New permits required. Repower conveyors from primary crusher to concentrator. El Mauro tailing dam capacity increment.

Cu: 30 ktpa  Capex: US$ 500m

Earliest Start of Construction
Key Messages

• World class deposit with low strip ratio and large resource base provides opportunity to unlock value in the long term

• Ore hardness challenge mitigated by:
  - Short term $\rightarrow$ effective operational actions
  - Mid term $\rightarrow$ plant capacity expansion

• New community engagement model in place, based on the principles of transparency and participation

• Cost improvements to position operation in the first quartile

• History of strong labour relations with employees and contractors
Los Pelambres - Site Visit

December 6th, 2016

Robert Mayne Nicholls
General Manager