

NEWS RELEASE, 1 SEPTEMBER 2015

NOTIFICATION OF CLASS 2 TRANSACTION

Antofagasta plc ("Antofagasta") announces that it has agreed with Marubeni Corporation ("Marubeni") to contribute the Encuentro mining properties located in the Centinela Mining District to Minera Centinela ("Centinela") through the merger of its wholly-owned subsidiary, CCM Encuentro ("Encuentro"), into Centinela. Centinela is held 70% by Antofagasta and 30% by Marubeni Corporation.

As previously announced, the Encuentro deposit contains oxide and sulphide ores within a single deposit. Construction of the Encuentro Oxides project is underway and the larger sulphide project is at the pre-feasibility study stage. Once completed, the Encuentro Oxide project will provide feed for Centinela's existing SX-EW plant contributing some 50,000 tonnes of copper per year. The Encuentro Oxides project also acts as a funded pre-strip for the sulphide deposit that lies below it. The sulphides from this deposit will be processed at Centinela's second concentrator, which is expected to come into production in 2019.

Under the terms of the Centinela shareholder agreement between Antofagasta and Marubeni, Antofagasta can require Centinela to acquire and exploit certain of its mining concessions and mineral rights in the Centinela Mining District, provided a number of steps, including a feasibility study, have been completed. Marubeni has agreed to allow Antofagasta to the merger of Encuentro with Centinela in advance of completing the feasibility study for the sulphide project. Centinela will now be responsible for the construction and operation of the Encuentro Oxides project and the development of the sulphide project. The consideration for the merger will be calculated, only once the feasibility study for the sulphide project has been completed, using the valuation methodology set out in the shareholder agreement. Centinela will then issue preference shares to Antofagasta which will carry rights only to receive cash dividends equal to the consideration amount.

Since the consideration is deferred and yet to be calculated, Antofagasta is still considering how any proceeds will be applied. Because there is no cap on the amount of this deferred consideration, the UK Listing Rules treat this transaction as a class 2 transaction. As at 31 December 2014, Encuentro did not have any profits and had gross assets of \$270 million.

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