For immediate release

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Annual Financial Report 2012

London, 16 April 2013

Antofagasta plc (the "Company") will today post its 2012 annual report and financial statements (the "2012 Annual Report and Financial Statements") and notice of the Annual General Meeting of the Company (the "2013 AGM Notice") to shareholders.

The 2012 Annual Report and Financial Statements, which was approved by the Board of Directors on 11 March 2013, constitute the Company's statutory accounts for the purposes of section 434 of the Companies Act 2006 and the Annual Financial Report for the purposes of DTR 4.1.

The Annual General Meeting will be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on 12 June 2013 from 10.30 a.m.

In compliance with LR 9.6.1, the Company has submitted to the Financial Conduct Authority each of the following documents:

- 2012 Annual Report and Financial Statements;
- 2013 AGM Notice;
- Form of Proxy for Ordinary Shareholders for Annual General Meeting;
- Form of Proxy for Preference Shareholders for Annual General Meeting; and
- Letter to Shareholders regarding Electronic Communications.

These documents will shortly be available for inspection via the National Storage Mechanism, www.hemscott.com/nsm.do, which may be searched by company name and filing date and/or document type. Each of these documents (other than the forms of proxy) is also available on the Company's website at www.antofagasta.co.uk.

In compliance with DTR 6.3.5, the following information is extracted from the 2012 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 12 March 2013. Together, these constitute the material required by DTR 6.3.5 to be communicated to the media in full unedited text through a

Regulatory Information Service. This material is not a substitute for reading the full 2012 Annual Report and Financial Statements and page numbers and cross-references in the extracted information below refer to page numbers and cross-references in the 2012 Annual Report and Financial Statements.

The information contained in this announcement and in the Preliminary Results Announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006 but is derived from those accounts. The statutory accounts for the year ended 31 December 2012 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 12 June 2013. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Companies Act 2006 (regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

Directors' Responsibility Statement

The following information is extracted from page 92 of the 2012 Annual Report and Financial Statements.

"Directors' Responsibility Statement

We confirm to the best of our knowledge:

- *the Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole;*

- *the Company's financial statements have been prepared in accordance with UK GAAP, and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and*

- *the Directors' report, including those sections incorporated therein by reference, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.*

By order of the Board

J-P Luksic, Chairman, 11 March 2013
W M Hayes, Director, 11 March 2013"

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 32 and 33 of the 2012 Annual Report and Financial Statements.

"Community relations

Risk

Failure to adequately manage relations with local communities could have a direct impact on the Group's reputation and ability to operate at existing operations and the progress and viability of development projects.

Mitigation

The Group engages with its local communities, looking to establish relations based on trust and mutual benefit. The Group firstly seeks to identify and minimise any potentially negative operational impacts and risks through responsible behaviour – acting transparently and ethically, prioritising the health and safety of its workers, promoting dialogue and complying with commitments to stakeholders and establishing mechanisms to prevent or address crisis. The Group also contributes to the local development of the communities in the areas of influence which it operates, in particular through human capital development – education, training and employment of the local population. The Group endeavours to ensure clear and transparent communication with local communities, including through the use of local perception surveys, local media and community meetings.

Reference

Details of the Group's community relations activities are included in the Sustainability section on page 58.

Strategic resources

Risk

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, sulphuric acid and mining equipment could have a negative impact on production volumes.

Longer-term restrictions on key strategic resources such as water and electricity could impact opportunities for the growth of the Group.

A significant portion of the Group's input costs are influenced by external market factors and are not entirely within the control of the Group.

Mitigation

Contingency plans are in place to address potential short-term disruptions to strategic resources such as electricity. The Group enters into medium and long-term supply contracts for a range of key inputs to help ensure continuity of supply.

Technological solutions, such as increased use of sea water in the Group's mining processes, can help address long-term limitations on scarce resources such as fresh water.

Reference

Information on the Group's arrangements for the supply of key inputs are included within the Our marketplace section on pages 24 to 27, and details of significant operational or cost factors related to key inputs are included within the Operational review on pages 36 to 45.

Operational risks

Risk

Mining operations are subject to a number of circumstances not wholly within the Group's control, including damage to or breakdown of equipment or infrastructure, unexpected geological variations or technical issues, extreme weather conditions and natural disasters, which could adversely affect production volumes and costs.

Mitigation

The key operational risks relating to each operation are identified as part of the regular risk review process undertaken by the individual operations. This process also identifies appropriate mitigations for each of these specific operational risks.

Monthly Board reports provide a variance analysis of operational and financial performance, allowing potential key issues to be identified on a timely basis, and any necessary actions, monitoring or control activities to be established.

The Group has appropriate insurance to provide protection from some, but not all, of the costs that may arise from such events.

Reference

Details of the operational performance of each of the Group's operations are included within the Operational review on pages 36 to 45.

Development projects

Risk

A failure to effectively manage the Group's development projects could result in delays in the commencement of production and cost overruns. Demand for supplies, equipment and skilled personnel could affect capital and operating costs. Increasing regulatory and environmental approvals and litigation could result in delays in construction or increases in project costs.

Mitigation

Prior to project approval a detailed feasibility process is followed to assess the technical and commercial viability of the project. Detailed progress reports on the ongoing development projects are regularly reviewed, including assessments of the progress of the key project milestones and actual performance against budget.

Reference

Details of the progress of the Group's development projects are included within the Operational review on pages 46 to 49.

Political, legal and regulatory risks

Risk

The Group may be affected by political instability and regulatory developments in the countries in which it is operating, pursuing development projects or conducting exploration activities. Issues with the granting of permits, or the withdrawal or variation of permits already granted, and changes to the legal environment, regulations or taxation could adversely affect the Group's operations and development projects.

Mitigation

The Group assesses political risk as part of its evaluation of potential projects, including the nature of foreign investment agreements in place. Political, legal and regulatory developments affecting the Group's operations and projects are monitored closely. The Group utilises appropriate internal and external legal expertise to ensure its rights are protected.

Reference

Details of any significant political, legal or regulatory developments impacting the Group's operations are included within the Operational review on pages 36 to 51.

Health and safety

Risk

Health and safety incidents could result in harm to the Group's employees, contractors or communities. Ensuring safety and wellbeing is first and foremost an ethical obligation for the Group. Poor safety records or serious accidents could have a serious impact on the Group's production and reputation.

Mitigation

The Group focuses on identifying, mitigating and managing the safety risks inherent in its different operations and development projects. The Group's goal is to create a safety culture through regular *training and awareness campaigns for employees and contractors. It also aims to reach workers' families and local communities particularly on issues of road safety.*

The Group requires all contractors to comply with its Occupational Health and Safety Plan, and this is monitored through monthly audit processes.

Reference

Further information in respect of the Group's activities in respect of health and safety is set out in the Sustainability section on page 56.

Environmental management

Risk

An operational incident which damages the environment could affect the Group's relationship with local stakeholders and the Group's reputation, and ultimately undermine its social licence to operate and to grow.

The Group operates in challenging environments, including the Atacama desert where water scarcity is a key issue.

Mitigation

The Group has a comprehensive approach to incident prevention. Relevant risks have been mapped and are monitored. The Group's approach includes raising awareness among employees and providing training to promote operational excellence.

Potential environmental impacts are key considerations when assessing projects, including the integration of innovative technology in the project design where it can help to mitigate those effects. The Group has pioneered the use of sea water for mining operations in Chile and strives to ensure maximum efficiency in water use, achieving high rates of reuse and recovery.

Reference

Further information in respect of the Group's activities in respect of the environment is set out in the Sustainability section on pages 58 to 61.

Growth opportunities

Risk

The Group may fail to identify attractive acquisition opportunities, or may select inappropriate targets. The long-term commodity price forecasts used when assessing potential projects and other investment opportunities are likely to have a significant influence on the forecast return on investment.

Mitigation

The Group assesses a wide range of potential growth opportunities, both from its internal portfolio and external opportunities, to maximise its growth profile. A rigorous assessment process is followed to evaluate all potential business acquisitions.

Reference

Details of the Group's growth opportunities are set out in the Operational review on pages 46 to 49.

Commodity prices

Risk

The Group's results are heavily dependent on commodity prices – principally copper and to a lesser extent molybdenum. The prices of these commodities are strongly influenced by world economic growth, and may fluctuate widely and have a corresponding impact on the Group's revenues.

Mitigation

The Group considers exposure to commodity price fluctuations within reasonable boundaries to be an integral part of the Group's business, and its usual policy is to sell its products at prevailing market prices. The Group monitors the commodity markets closely to determine the effect of price fluctuations on earnings and cash flows, and uses derivative instruments to manage its exposure to commodity price fluctuations where appropriate.

Reference

The sensitivity of Group earnings to movements in commodity prices is set out in the Financial review on page 68. Details of hedging arrangements put in place by the Group are included within the Financial review on page 68 and in Note 25 to the financial statements.

Identification of new mineral resources

Risk

The Group needs to identify new mineral resources in order to ensure continued future growth. The Group seeks to identify new mineral resources through exploration and acquisition. There is a risk that exploration activities may not identify viable mineral resources.

Mitigation

The Group has teams conducting active exploration programmes both within Chile and elsewhere. The Group has entered into early-stage exploration agreements with third parties in a number of countries throughout the world, and has also acquired interests in companies with known geological potential.

Reference

A review of the Group's exploration activities is set out in the Operational review on pages 46 to 49.

Ore reserves and mineral resources estimates

Risk

The Group's ore reserves and mineral resources estimates are subject to a number of assumptions and estimations, including geological, metallurgical and technical factors, future commodity prices and production costs. Fluctuations in these variables may result in lower grade reserves or resources being deemed uneconomic, and could lead to a reduction in reserves or resources.

Mitigation

The Group's reserves and resources estimates are updated annually to reflect material extracted during the year, the results of drilling programmes and updated assumptions. The Group follows the JORC code in reporting its ore reserves and mineral resources which requires that the reports are based on work undertaken by a Competent Person. The Group's reserves and resources estimates are subject to a comprehensive programme of internal and external audits.

Reference

The ore reserves and mineral resources estimates, along with supporting explanations, are set out on pages 156 to 164.

Talent

Risk

The Group's highly skilled workforce and experienced management team is critical to maintaining its current operations, implementing its development projects, and achieving longer-term growth. The loss of key individuals and the failure to recruit appropriate staff may have a negative impact on the performance of the existing operations and the growth of the Group. Labour disputes could result in disruption to operations.

Mitigation

The Group's performance management system is designed to provide reward and remuneration structures and personal development opportunities appropriate to attract and retain key employees. The Group has in place a talent management system to identify and develop internal candidates for critical management positions, as well as processes to identify sustainable external candidates where appropriate.

There are long-term labour contracts in place at each of the Group's mining operations which help to ensure labour stability. The Group seeks to identify and address labour issues which may arise throughout the period covered by existing long-term labour agreements.

Contractors' employees are an important part of the Group's workforce, and under Chilean law are subject to the same duties and responsibilities as the Group's own employees. The Group's approach is to treat contractors as strategic associates.

Reference

Details of the Group's relations with its employees and contractors are set out within the Sustainability section on pages 55 to 57 and within the Operational review on pages 36 to 51."

Related Party Transactions

The following description of related party transactions is extracted from Note 37 on pages 146 and 147 of the 2012 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 27.

"37 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 are disclosed below.

The transactions which Group companies entered into with related parties who are not members of the Group are set out below.

a) Quiñenco S.A.
Quiñenco S.A. ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and three Directors of the Company, Jean-Paul Luksic, Guillermo Luksic and Gonzalo Menéndez, are also directors of Quiñenco.

The following material transactions took place between the Group and the Quiñenco group of companies, all of which were on normal commercial terms:

- *the Group sold copper cathodes during the year for US$11.1 million (2011 – US$0.7 million) to Madeco S.A., a subsidiary of Quiñenco. The balance due from Madeco at the end of the year was less than US$0.1 million (2011 – US$0.1 million);*
- *the Group bought copper wire from Madeco for less than US$0.3 million (2011 – less than US$0.1 million);*
- *the Group earned interest income of US$2.4 million (2011 – US$0.5 million) during the year on deposits with Banco de Chile S.A., a subsidiary of Quiñenco. Deposit balances at the end of the year were US$83.4 million (2011 – US$23.7 million);*
- *the Group earned interest income of US$0.7 million (2011 – US$0.2 million) during the year on investments with BanChile Corredores de Bolsa S.A., a subsidiary of Quiñenco. Investment balances at the end of the year were US$35.9 million (2011 – US$5.7 million);*
- *the Group bought fuel from ENEX S.A. a subsidiary of Quiñenco of US$74.6 million (2011 – US$39.3 million). The balance due from ENEX S.A. at the end of the year was US$ 1.7 million (2011 – US$3.6 million).*
- *the Group has contract shipping services from Compañia Sudamericana de Vapores S.A., subsidiary of Quiñenco, of US$ 6.6 million (2011 – US$9.8 million).*

b) Compañía de Inversiones Adriático S.A.

In 2012, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático S.A., a company controlled by the Luksic family, at a cost of US$ 0.7 million (2011 – US$0.7 million).

c) Compañía Antofagasta Terminal Internacional S.A.

As explained in Note 17, the Group acquired a 30% interest in Antofagasta Terminal Internacional S.A. ("ATI") on 16 December 2004, which has been treated in these financial statements as an associate. During 2012, the Group received a dividend of US$ 1.1million from ATI (2011 – US$1.2 million).

d) Antomin Limited, 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. Antofagasta has the exclusive right to acquire at fair value under certain conditions the shareholding of Mineralinvest in Antomin 2 and Antomin Investors, or the underlying properties, for a period of five years from August 2008. The Group has also committed to meet in full any exploration costs relating to the properties held by these entities. During the year ended 31 December 2012 the Group incurred US$16.5 million (year ended 31 December 2011 – US$1.1 million) of exploration work at these properties.

e) Tethyan Copper Company Limited

As explained in Note 18(a), during 2006 the Group entered into a joint venture agreement with Barrick Gold Corporation ("Barrick Gold") to establish a 50:50 joint venture over Tethyan Copper Company Limited's ("Tethyan") mineral interests in Pakistan.

During the year the Group contributed US$9.9 million (2011 – US$9.7 million) to Tethyan, to provide funds for Tethyan's legal advisory and administrative costs. The balance due from Tethyan to Group companies at the end of the year was US$0.1 million (2011 – US$0.1 million). Details of amounts relating to Tethyan included in the consolidated financial statements of the Group under the proportionate consolidation method are set out in Note 18(a).

f) Energía Andina S.A.

In October 2008 Energía Andina S.A. was formed as a vehicle for the exploration and exploitation of potential sources of geothermal energy. Initially, the company was 60% owned by the Group and 40% owned by Empresa Nacional del Petróleo ("ENAP") of Chile. On 6 May 2011 ENAP sold its 40% shareholding in Energía Andina to Origin Energy Geothermal Chile Limitada for US$12.0 million. The balance due from Energía Andina S.A. to the Group at 31 December 2012 was less than US$0.1 million (31 December 2011 – less than US$0.1 million). During the year ended 31 December 2012 the Group contributed US$14.5 million to Energía Andina (year ended December 2011 – US$9.0 million).

g) Minera Cerro Centinela S.A.

Minera Cerro Centinela S.A. ("Centinela"), an entity ultimately controlled by the Luksic family, has an interest of 7.973% in Minera Michilla S.A. ("Michilla"), a shareholding it has held since Michilla was created through the merger of two predecessor companies on 31 December 1993. During the year ended 31 December 2012 Michilla paid dividends of US$1.2 million (year ended 31 December 2011 – US$ 1.6 million) to Centinela.

h) Directors and other key management personnel

Information relating to Directors' remuneration and interests are given in the Remuneration Report on pages 84 to 88. Information relating to the remuneration of key management personnel including the Directors is given in Note 8.

i) Inversiones Hornitos S.A.

The Group has acquired a 40% interest in Inversiones Hornitos S.A. from GDF SUEZ, which is accounted for as an associate. During the year ended 31 December 2010 there was a US$57.2 million capital reduction in Inversiones Hornitos. The balance due from Inversiones Hornitos to the Group at 31 December 2012 was nil (year ended 31 December 2011 – US$83.8 million). The Group paid US$129 *million (year ended 31 December 2011 – US$70.6 million) to Inversiones Hornitos in relation to the energy supply contract at Esperanza.*

j) Sale of 30% interest in Minera Antucoya to Marubeni Corporation
On 14 December 2011, the Group signed a Memorandum of Understanding with Marubeni Corporation ("Marubeni") pursuant to which Marubeni would become a 30% partner in the Antucoya project for consideration totalling US$350 million and a commitment to fund its pro rata share of the development costs of the project. This transaction closed on 31 July 2012 resulting in US$359.6 million being received by the Group, comprising consideration of US$351.8 million (base consideration of US$350 million plus interest to completion of US$1.8 million) and pre-closing capital contributions attributable to Marubeni of US$7.8 million.

Marubeni holds a 30% interest in Minera Esperanza and Minera El Tesoro. Marubeni is a related party of the Group for the purposes of the Listing Rules of the United Kingdom Listing Authority as it holds a significant interest in these two subsidiaries of the Group. Further details of this transaction are set out in Note 23.

k) El Arrayan
In December 2011, the Group exercised an option to acquire a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayan") for a consideration of US$4.5 million, and will be responsible for its share of development costs. During 2012 the Group contributed US$19.6 million to Parque Eólico El Arrayán S.A. This interest is accounted for as an associate. El Arrayan will develop and operate a 115MW wind power plant. Construction of the plant commenced in July 2012 with the expectation to achieve commercial operation during the third quarter of 2014.

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