ANTOFAGASTA PLC

NEWS RELEASE,12 APRIL 2016

PUBLICATION OF 2015 ANNUAL REPORT AND 2016 NOTICE OF ANNUAL GENERAL MEETING

Antofagasta plc (the "Company") will today post its 2015 Annual Report and Financial Statements and notice of the Annual General Meeting of the Company (the "2016 AGM Notice") to shareholders.

The 2015 Annual Report and Financial Statements, which was approved by the Board of Directors on 14 March 2016, 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 Westminster, Dean's Yard, London SW1P 3NZ on 18 May 2016 from 10 a.m.

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

- 2015 Annual Report and Financial Statements
- 2016 AGM Notice
- Form of Proxy for Ordinary Shareholders for Annual General Meeting
- Form of Proxy for Preference Shareholders for Annual General Meeting
- 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. The 2015 Annual Report and Financial Statements and 2016 AGM Notice are 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 2015 Annual Report and Financial Statements and should be read in conjunction with the Company's Preliminary Results Announcement issued on 15 March 2016. 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 2015 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 2015 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 2015 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 18 May 2016. 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).

Statement of Directors' Responsibilities

The following information is extracted from page 116 of the 2015 Annual Report and Financial Statements.

"The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Corporate Governance Report confirm that, to the best of their knowledge:

- *the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and*
- *the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.*

By order of the Board

Jean-Paul Luksic, Chairman

William Hayes, Senior Independent Director and Chairman of the Audit and Risk Committee

14 March 2016"

Principal Risks and Uncertainties

The following description of Principal Risks and Uncertainties is extracted from pages 35 to 38 of the 2015 Annual Report and Financial Statements.

"***Community relations***

Risk

Failure to identify and manage local concerns and expectations can have a negative impact on the Group. Relations with local communities and stakeholders affect the Group's reputation and social licence to operate and grow.

Mitigation

The Group has dedicated teams at its central office and at each of its operations. These establish and maintain relations with local communities based on trust and mutual benefit throughout the mining lifecycle, from exploration to final remediation. The Group seeks to identify any potentially negative operational impacts and minimise these through responsible behaviour. This means acting transparently and ethically, *prioritising the safety and health of its employees and contractors, promoting dialogue, complying with commitments to stakeholders and establishing mechanisms to prevent or address a crisis. These steps are undertaken in the early stages of each project and continue throughout the life of each operation. The Group also contributes to the development of communities in the areas of influence in which it operates, particularly through human capital development – the education, training and employment of the local population. The Group endeavours to communicate clearly and transparently with local communities in line with the established Community Relations Plan, including the use of a grievance management process, local perception surveys, local media and community engagement.*

Reference

Details of the Group's community relations activities are included in the Managing a sustainable business section on pages 53 to 63.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Strategic resources

Risk

Disruption to the supply of any of the Group's key strategic inputs such as electricity, water, fuel, sulphuric acid and mining equipment could have a negative impact on production. Longer term, any restrictions on the availability of key strategic resources such as water and electricity could affect the Group's opportunities for growth.

A significant portion of the Group's input costs are influenced by external market factors.

Mitigation

Contingency plans are in place to address any short-term disruptions to strategic resources. The Group commences early negotiations in supply contracts for key inputs to ensure supply continuity. Certain key supplies are purchased from several sources to mitigate potential disruption arising from exposure to a single supplier.

Technological and innovative solutions, such as using sea water in the Group's mining operations, can help mitigate exposure to potential scarcity of resources.

Access to energy is a priority for the Group and during 2014 and 2015, it secured several sources of non-traditional energy such as wind and solar power.

Reference

Information on the Group's arrangements for the supply of key inputs are included within the Key inputs section on pages 19 to 21, and details of significant operational or cost factors related to key inputs are included within the Operational review on pages 39 to 52.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*

Operational

Risk

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

Mitigation

The key 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 mitigation techniques for such risks. Monthly reports to the Board provide a variance analysis of operational and financial performance, allowing potential key issues to be identified in good time and any necessary actions, such as monitoring or control activities, to take place.

The Group has a Business Continuity Plan and Disaster Recovery Plan for all key processes within its operations in case of crisis or natural disaster. The Group also has insurance to provide protection from some, but not all, of the costs that may arise from such events.

Reference

Details of the performance of each of the Group's operations are included within the Operational review on pages 39 to 52.

Application to Strategy

Applies to:

- *the existing core business*

Project management

Risk

Failure to effectively manage the Group's development projects could result in delays in the start of production and cost overruns.

Mitigation

The Group has a project management system consisting of standards, manuals and procedures containing the best practices applicable and enforceable in all phases of project development. The project management system supports the decision-making process by balancing risk versus benefit, increasing the likelihood of success and providing a common defining language and standards. All geometallurgical models are reviewed by independent experts.

Additionally, during the project lifecycle, quality checks for each of the standards applied are carried out by a panel of experts from within the Group. This panel reviews each feasibility study to assess the technical and commercial viability of the project. Detailed progress reports on ongoing projects are regularly reviewed, including assessments of progress against key project milestones and performance against budget.

Reference

Details of the progress of the Group's projects are included within the Operational review on pages 39 to 51.

Application to Strategy

Applies to:

- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Political, legal and regulatory

Risk

The Group may be affected by political instability and regulatory developments in the countries in which it is operating, pursuing projects or conducting exploration activities. Issues regarding the granting of permits or amendments to permits already granted, and changes to the legal environment or regulations, 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 any foreign investment agreements. Political, legal and regulatory developments affecting the Group's operations and projects are monitored on a continuous basis. The Group operates in full compliance with the existing laws, regulations, licences, permits and rights in each country in which it operates.

The Group monitors proposed changes in government policies and regulations and belongs to several associations that consult with the government on these changes.

Reference

Details of any significant political, legal or regulatory issues that impact the Group's operations are included within the Operational review on pages 39 to 52.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*

Safety and health

Risk

Safety and health incidents could result in harm to the Group's employees, contractors or to local communities.

Ensuring their safety and wellbeing is first and foremost an ethical obligation for the Group as stated in the Charter of Values.

Poor safety records or serious accidents could have a long-term impact on the Group's morale, reputation and production.

Mitigation

Safety and health risk management procedures are being strengthened, with particular focus on preventing fatalities and the early identification of risks.

The corporate Safety and Health department provides a common strategy to the Group's operations and co-ordinates all safety and health matters. The Group has a Significant Incident Report system which is an important part of the Group's overall approach to safety.

This approach includes a goal of zero fatalities and minimising the number of accidents. This goal requires all contractors to comply with the Group's Occupational Health and Safety Plan, which is monitored through monthly audits and supported by regular training and awareness campaigns for employees, contractors, and employees' families and local communities, particularly with regard to road safety.

Reference

Further information about the Group's activities in respect of safety and health is set out in the Managing a sustainable business section on pages 53 to 63.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Environmental management

Risk

An operational incident that damages the environment could affect the Group's relationship with local stakeholders and its reputation, undermining 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 are assessed, monitored and controlled. The Group works to raise awareness among employees and provide training to promote operational excellence. Potential environmental impacts are key considerations when assessing project viability and the integration of innovative technology in the project design to mitigate these effects is encouraged. The Group pioneered the use of sea water for mining operations in Chile and has installed capacity to produce thickened tailings at Centinela as it strives to ensure maximum efficiency in water use, achieving high rates of reuse and recovery.

Reference

Further information in respect of the Group's environmental activities is set out in the Managing a sustainable business section on pages 53 to 63.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Growth opportunities

Risk

The Group may fail to identify attractive acquisition opportunities or may select inappropriate targets.

The long-term commodity price forecast and other assumptions used when assessing potential projects and other investment opportunities have a significant influence on the forecast return on investment and if incorrectly estimated could result in the wrong decisions being made.

Mitigation

The Group assesses a wide range of potential growth opportunities, both internal projects and external opportunities. A rigorous assessment process is followed to evaluate all potential business acquisitions, which are subjected to different stress test scenarios for sensitivity analysis and to determine the risks associated with the project or opportunity.

The Group's Business Development Committee reviews potential growth opportunities and potential transactions, and approves or recommends them within authority levels set by the Board.

Reference

Details of the Group's growth opportunities are set out in the Operational review on pages 39 to 51.

Application to Strategy

Applies to:

- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Commodity prices

Risk

The Group's 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 world economic growth, inventory balances, industry demand and supply, possible substitution, etc.

Mitigation

The Group considers exposure to commodity price fluctuations to be an integral part of the 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, capital expenditure and cash flows. Very occasionally the Group uses derivative instruments to manage its exposure to commodity price fluctuations when it feels it to be appropriate. The Group runs its business plans under various different commodity price scenarios and develops contingency plans as required.

As at the end of 2015, the Group held no open commodity hedging positions.

Reference

The sensitivity of the Group's earnings to movements in commodity prices is set out in Note 26 to the financial statements.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Foreign currency

Risk

The Group's sales are mainly denominated in US dollars and some of the Group's operating costs are in Chilean pesos.

The strengthening of the Chilean peso may negatively affect the Group's financial results.

Mitigation

As copper exports account for over 50% of Chile's exports, there is a correlation between the copper price and the US dollar/Chilean peso exchange rate. This natural hedge partly mitigates the Group's foreign exchange exposure. However, the Group closely monitors the foreign exchange markets and the macroeconomic variables that affect it and on occasion maintains a focused currency hedging programme to reduce short-term exposure to fluctuations in the US dollar against the Chilean peso.

Reference

Details of the Group's currency hedging arrangements are shown in Note 26 to the financial statements.

Identification of new mineral resources

Risk

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

Mitigation

The Group conducts exploration programmes both in Chile and other countries. The Group has entered into early-stage exploration agreements and strategic alliances with third parties in a number of countries and has also acquired equity interests in companies with known geological potential. The Group focuses its exploration activities on stable and secure countries to reduce country risk exposure.

Reference

A review of the Group's exploration activities is set out in the Operational review on pages 50 and 51.

Application to Strategy

Applies to:

- *the existing core business*

Ore reserves and mineral resources estimates

Risk

The Group's ore reserves and mineral resources estimates are subject to a number of assumptions and estimates, including geological, metallurgical and technical factors, future commodity prices and production costs. Fluctuations in these variables may result in some reserves or resources being deemed uneconomic, which could lead to a reduction in reserves and/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 any revised assumptions. The Group follows the Australasian Joint Ore Reserves Committee ("JORC") Code in reporting its ore reserves and mineral resources, which requires that the reserves and resources estimates are based on work undertaken by a Competent Person, as defined by the Code. In addition, 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 186 to 193.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business*
- *growth beyond the core business*

Talent management and labour relations

Risk

The Group's highly skilled workforce and experienced management team are critical to maintaining current operations, implementing development projects, achieving long-term growth and preserving current operations without major disruption. Managing talent and maintaining a high-quality labour force is a key priority for the Group and any failures in this respect could have a negative impact on the performance of the existing operations and future growth.

Mitigation

There are long-term labour agreements in place with employees at each of the Group's mining operations, which help to ensure labour stability. These agreements were last renegotiated in 2014 for a period of up to four years for all of the Group's operations, except for Zaldívar which was acquired during 2015 and whose labour agreement continues until 2017.

The Group seeks to identify and address labour issues that may arise throughout the period covered by existing labour agreements and to anticipate any potential issues in good time. Contractors 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 and its goal is to build long-term mutually beneficial contractor relationships. The Group maintains constructive relationships with its employees and the unions that represent them through regular communication and consultation. Union representatives are regularly involved in discussions about the future of the workforce.

The Group develops the talents of its employees through training and development, invests in initiatives to widen the talent pool and focuses on maintaining good relationships with employees, unions and contractors.

The Group's performance management system is designed to provide reward and remuneration structures and personal development opportunities 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 suitable external candidates where appropriate.

Reference

Details of the Group's relations with its employees and contractors are set out within the Managing a sustainable business section on pages 53 to 63 and within the Operational review on pages 39 to 52.

Application to Strategy

Applies to:

- *the existing core business*
- *organic and sustainable growth of the core business"*

Related party transactions

The following description of related party transactions is extracted from Note 36 on page 176 of the 2015 Annual Report and Financial Statements. A condensed version of this note was published in the Preliminary Results Announcement as Note 28.

"***36. 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. There are not guarantees given or received and no provisions for doubtful debts related to the amount of outstanding balances.

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, Andronico 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 earned interest income of $0.6 million (2014 – $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 $110.4 million (2014 – $70.1 million);*
- *the Group earned interest income of $0.7 million (2014 – $1.5 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 $12.1 million (2014 – $26.3 million);*
- *the Group bought fuel from ENEX S.A. a subsidiary of Quiñenco of $32.4 million (2014 – $54.3 million). The balance due to ENEX S.A. at the end of the year was nil (2014 – nil).*

b) Michilla/Minera Cerro Centinela S.A.

In March 2014, the Group acquired an additional 25.7% interest in Michilla for $30.9 million, increasing the Group's interest from 74.2% to 99.9%. This included the acquisition of the 7.973% stake held by Minera Cerro Centinela S.A., an entity ultimately controlled by the Luksic family, for $9.6 million. Prior to this transaction, Michilla paid dividends of $1.6 million to Minera Cerro Centinela S.A.

c) Compañía de Inversiones Adriático S.A.

In 2013, 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 less than $0.5 million (2014 – $0.7 million).

d) Antofagasta Terminal Internacional S.A.

As explained in Note 17, the Group has a 30% interest in Antofagasta Terminal Internacional S.A. ("ATI") which is accounted for as an associate. During 2015, the Group has not received dividends from ATI (2014 – nil).

e) 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. During the year ended 31 December 2015, the Group incurred $4.2 million (year ended 31 December 2014 – $17.0 million) of exploration work at these properties.

f) Tethyan Copper Company Limited

As explained in Note 17, the Group has a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which is a joint venture with Barrick Gold Corporation over Tethyan's mineral interests in Pakistan. During 2015, the Group contributed $4.0 million (2014 – $8.5 million) to Tethyan. The balance due from Tethyan to Group companies at the end of the year was nil (2014 – nil).

g) Energía Andina S.A.

As explained in Note 17, the Group has a 50.1% interest in Energía Andina, which is a joint venture with Origin Energy Geothermal Chile Limitada for the evaluation and development of potential sources of geothermal and solar energy. The balance due from Energía Andina S.A. to the Group at 31 December 2015 was nil (2014 – less than $0.1 million). During the year ended 31 December 2015, the Group contributed $1.3 million to Energía Andina (2014 – $7.7 million).

h) Compañia Minera Zaldívar SpA

The Group´s 50% (2014 – 0%) interest in Minera Zaldívar was acquired on 1 December 2015 (see Note 17), which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar from 1 December 2015 onwards. The balance due from Zaldívar to Group companies at the end of the year was less than $0.1 million.

i) Directors and other key management personnel

Information relating to Directors' remuneration and interests are given in the Remuneration Report on page 96. Information relating to the remuneration of key management personnel including the Directors is given in Note 8.

j) Inversiones Hornitos S.A.

As explained in Note 17, the Group has a 40% interest in Inversiones Hornitos S.A., which is accounted for as an associate. The Group paid $140.5 million (year ended 31 December 2014 – $175.3 million) to Inversiones Hornitos in relation to the energy supply contract at Centinela. During 2015, the Group has received dividends from Inversiones Hornitos S.A. for $12.1 million (2014 – $20.0 million).

k) Parque Eólico El Arrayán S.A.

As explained in Note 17, the Group has a 30% interest in Parque Eólico El Arrayán S.A. ("El Arrayán"), which is accounted for as an associate. The Group paid $42.0 million (year ended 31 December 2014 – $12.0 million) to El Arrayán in relation to the energy supply contract at Los Pelambres. During 2015, the Group has contributed nil to El Arrayán (2014 – $2.6 million).

l) Alto Maipo SpA

As explained in Note 17, the Group has a 40% interest in Alto Maipo SpA ("Alto Maipo"), which is accounted for as an associate. During 2014, the Group made capital contributions for $42.8 million to Alto Maipo (2014 – $nil). The balance due from Alto Maipo to the Group at 31 December 2015 was $229.7 (2014 – $152.4 million), representing loan financing with an interest rate of LIBOR six-month plus 4.25%.

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Cautionary statement about forward – looking statements

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

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

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