

REKO DIQ PROJECT Arbitration Ruling

Antofagasta plc (the “Company”) announces that yesterday an international arbitration tribunal of the World Bank’s International Center for Settlement of Investment Disputes (“ICSID”) issued a decision on the arbitration claims that Tethyan Copper Company Pty Limited (“TCC”), a joint venture between the Company and Barrick Gold Corporation, filed against the Islamic Republic of Pakistan (“Pakistan”) in relation to the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011.

Yesterday’s decision by the ICSID tribunal rejected Pakistan’s final defence against liability, and confirmed that Pakistan had violated several provisions of its bilateral investment treaty with Australia, where TCC is incorporated.

The damages phase of proceedings will begin on 22 March and the tribunal will consider submissions from the parties to determine the amount that Pakistan must pay TCC. A ruling on the quantum of damages is expected in 2018.

“We are pleased with this decision and now the damages phase of the arbitration can begin. We expect that, at the conclusion of this phase, Tethyan will receive an award entitling it to the fair market value of the project at the time that the mining lease application was denied,” said Iván Arriagada, Antofagasta plc’s Chief Executive Officer.

Prior to submission of the mining lease application, Tethyan had completed a feasibility study showing that Reko Diq was one of the world’s largest undeveloped copper and gold deposits with a potential mine life of over 50 years mine life for an estimated initial capital investment of over \$3 billion.

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