

CHAIRMAN'S COMMENTS AT THE 2018 ANNUAL GENERAL MEETING

Antofagasta plc (the "Company") today released the script to be used by the Chairman, Jean-Paul Luksic at the Company's Annual General Meeting that commences at 10:00am today.

Welcome to Antofagasta plc's 2018 Annual General Meeting.

It is a pleasure to be here in London to meet with our shareholders. Thank you for joining us today and I confirm that we have a quorum present.

As you can see, all of our directors are in attendance, together with our CEO and several senior members of his leadership team. Photos and short biographies for each of our Directors, including their Board and Committee roles, are set out on pages 15 to 19 of the Notice of Meeting.

I would like to start with a brief overview of the strategy and performance of your company and make some comments on the macro environment in which we operate. Your Chief Executive Ivan Arriagada will then make a presentation about our performance in 2017. We will then move onto the formal part of the meeting when we propose the resolutions set out in the notice of meeting, and after that I will open the floor for questions.

Let me now start by saying a few words about safety.

The safety of our employees and the communities in which we work is our number one priority. In 2017, we achieved our goal of zero fatalities, and now we have completed more than 2 years without any serious accidents at our operations. We are convinced that the Safety Model we have implemented together with the emphasis we place on the importance of having a strong safety culture embedded in everyone with the Group is key to our success in this area and, in mining, success in safety leads to success in business. The Board is very proud of our recent safety record and we are committed to supporting the management team in their efforts to maintain this record.

Our strategy is simple.

First, we strive to operate our business with a sharp focus on safety, producing profitable tonnes and pursuing sustainable cost improvements. To this end the company has been through a period of change which included the introduction of a new operating model to strengthen our internal capabilities.

Second, we seek to create further value by developing the opportunities embedded in our existing operations which represent the most attractive options. We have brownfield projects at Los Pelambres, Centinela and Zaldívar.

Thirdly, we look beyond our core business for other growth opportunities to develop our portfolio, based on profitable returns. Our focus is the Americas. We have a strong balance sheet that allows us to consider a range of opportunities.

We have always believed that working in partnership – whether with our equity partners in the mining operations, the communities that we work in or the local and national government – is the best and only way to work. Working together to ensure the safety, sustainability, reliability and stability of our operations enables all our stakeholders to prosper. And this makes good business sense.

This makes mining sound easy and it is not. There are many issues that we address and mitigate as a business on a regular basis and throughout cycles. To name a few, they can be environmental, social, operational, financial, and/or technological. But with the right people and partners we remained on plan and on budget in 2017 and produced over 700,000 tonnes of copper from our four mining operations – Los Pelambres, Centinela, Antucoya and Zaldívar.

And this was reflected in our financials; revenue in 2017 rose 31% to \$4.7 billion primarily due to the increase in the copper price and higher sales volume. Our EBITDA rose by nearly 60% to \$2.6 billion and our Net Earnings almost doubled, to \$751 million.

This strong performance combined with the Board's assessment of the company's cash requirements allowed us to increase our final dividend by over two and a half times to 40.6 cents per share. This brought the total dividend for the year to 50.9 cents per share, or \$502 million, which represented a 67% payout of our underlying earnings, well above our minimum payout ratio of 35%.

This reflects our improved confidence in the position of the company and the outlook, as well as our wish to distribute more of the returns to shareholders after a period of lower distributions.

Our approach to allocating capital considers the appropriate balance between investment, growth and dividends, which allows the Company to retain a strong financial position so that even after paying the dividend we have the financial flexibility to take advantage of any opportunities.

Let me now speak about the future and our plans for growth.

We have taken advantage of the downturn and our financial strength developing Antucoya and acquiring a 50% interest in Zaldívar. Last year Encuentro Oxides come into production and we will soon start benefiting from the new Moly Plant at Centinela. These recent investments will account for about 25% of our total production and will make a significant contribution to our business.

Looking at our internal opportunities, we have the expansions of our two largest operations - Los Pelambres and Centinela.

At Los Pelambres, we plan to expand production by 55 thousand tonnes per year by investing in new equipment which will maximize throughput within the existing mine and plant permits. The Environmental Impact Study for the project was approved in February and this project is expected to be brought to the Board before the end of the year for approval and would start production in 2021.

At Centinela, we have two alternatives for expanding the operation. The first alternative is to build a second concentrator. The second alternative is to expand the existing plant, utilizing some of the current infrastructure we have in place. This decision is also expected to be made by the Board by the end of this year.

There has been quite a lot of news over recent months about actions taken in countries around the world that are to the detriment of mining companies operating in those countries. This reminds me of the advantages we have in operating in a country like Chile, a historical mining centre and at the same time an OECD member with a firmly established rule of law.

Chile is the largest copper producer in the world; it is also a well-functioning democracy with robust public institutions and an independent judiciary. GDP growth is about 3%, inflation is less than 2% and our national debt is low at 24% of GDP. We have trade agreements with over 60 countries.

A key challenge in Chile is increasing productivity for which the transition to a digital economy is an important step and to this end continuing the progress made to improving access and quality of education is paramount.

Turning to corporate governance – as you would expect, we are fully compliant with the UK Corporate Governance Code. But in addition to this, the Board and its Committees oversaw and provided significant input into a number of important developments during the year relating to culture, diversity and inclusion, risk and risk appetite, and executive remuneration. These initiatives have been implemented to ensure that, beyond Code compliance, we continue to focus on the issues that will shape our future.

As a Board, we are aware that much of the recent focus on corporate governance in the UK has been around stakeholder engagement and the appropriate representation of stakeholder views in the Boardroom. As a mining company, our investment horizon is extremely long, and the location and factors surrounding our projects and operations are largely static. This makes us naturally very sensitive to the views and interests of our stakeholders. Although we believe that our current governance structures support the representation of stakeholder views and interests in our decision making, we will continue as a Board to ensure that this will always be the case as regulations and society evolves.

Looking ahead to the future of the copper market, one of the most exciting trends to emerge in 2017 has been the increased interest in new technologies which use significantly more copper than established technologies. This is particularly the case for clean energy and electric vehicles. A recent highlight for me was sponsoring the Formula E championship in Santiago. Electric vehicles underline the rapid changes that are taking place across the world and how we respond to climate change. And copper plays a central role in a modern, low carbon world.

Alongside the emergence of this new source of copper consumption which may provide further demand growth in the medium- to long-term, the traditional markets in China and other emerging economies will remain the most important drivers for copper in the shorter term. This is underpinned by the powerful trends of favourable demographics including urbanization and rising incomes.

At this time when demand is strong, the source of increased supply to satisfy this demand, is less clear. There is only one major greenfields site under construction and no others have been committed to for several years. Considering a medium-sized mine can take two to three years to build and even longer to permit, this suggests a shortfall can be expected, and the longer term looks positive as well.

To summarize, 2017 has been a year of good progress for our company. We have come out of the downturn stronger with a restructured organization that positions us well to continue executing our strategy over the coming years.

I would also like to take this opportunity to thank all our employees and contractors that work across the Group whose contribution has helped to make Antofagasta what it is today.

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