

NEWS RELEASE, 22 MAY 2019

## CHAIRMAN'S COMMENTS AT THE 2019 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.*

Good morning ladies and gentlemen.

Welcome to Antofagasta plc's 2019 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, except for Andrónico Luksic and Vivianne Blanlot who are unable to join us for separate personal and medical reasons all of your directors are in attendance. This includes Michael Anglin who will be standing for election for the first time today. Also Ivan Arriagada, our CEO is here sitting next to me and several senior members of his executive team are here as well. Photos and short biographies of 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 give you a brief overview of the strategy and performance of your company and make some comments on the macro environment in which we operate. Ivan Arriagada will then make a presentation about our performance in 2018 and then we will move onto the formal part of the meeting when we propose and vote on the resolutions set out in the notice of meeting, and after that I will open the floor for questions.

I will start my overview by talking about safety.

The safety of our employees and the communities in which we work is our number one priority. After more than two years without a fatality at our operations, it is with great sadness that I have to report that a contractor suffered a fatal accident at Los Pelambres in October last year. My condolences go to the family of Mr. Jorge Pérez Barraza. We have undertaken a full investigation of the incident which is a reminder that we must all guard against complacency and follow all established operating and safety procedures. Safety remains our top priority.

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 every employee and contractor in the Group, is key to our success in this area. The Board is fully committed to supporting the management team in their efforts to achieve zero fatalities.

Now, turning to our performance in 2018; I am proud to be able to report that this year we have had record production which is due to the hard work of the operations teams.

During the year, we were able to increase significantly our ore processing through improved operating efficiency.

Optimising our current assets and improving operating efficiency is part of our strategy. 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 implementation of a new operating model to strengthen our internal capabilities.

We also seek to create further value by developing the opportunities embedded in our existing operations which present the most attractive options for growth.

I am pleased to share with you that at the beginning of this year we started the construction of the Los Pelambres expansion project and I will speak about this and our other growth opportunities in more detail later.

We are always looking beyond our current operations for sustainable growth opportunities. Our focus is the Americas and with our strong balance sheet this allows us to consider a range of opportunities.

Regarding capital allocation we consider the appropriate balance between investment, growth and dividends that allows the Company to retain a strong financial position after paying the dividend.

In addition we have always believed that working in partnership –with communities, local and national government, and our equity partners – is the best way to work. Working together to ensure the safety, sustainability and reliability of our operations enables all of our stakeholders to prosper.

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

At Antofagasta, we are fortunate to have substantial mineral resources in Chile, a historical mining centre and an OECD member with a well-functioning democracy and robust public institutions.

We know that these resources will be developed one day. The judgement we have to make is, when. We think of this as ‘considered growth’. Evidence of our conviction to growing and developing our resource base over time has been our commitment to investing through the cycle. We carefully review and assess our portfolio of opportunities and expansion plans to ensure that projects only proceed once they have been fully evaluated and have satisfied our rigorous internal evaluation criteria. Following this process the Board recently approved the expansion of Los Pelambres after the project had been fully reviewed. Construction is now underway and the first phase of the expansion is expected to add an average of 60,000 tonnes of copper production per year. The project includes a desalination plant to supply water for the expansion and as a back-up in

case of severe drought. We also advanced the studies on the expansion of Centinela and having assessed two development alternatives, we have decided to focus on the evaluation of a second concentrator.

Regarding our transport division, it celebrated its 130th anniversary last year and it is now moving into a period of growth having won some major new contracts and acquiring new locomotives which should allow the division to grow to record levels of tonnes transported over the coming years.

Turning to corporate governance, in 2018 we complied with all of the detailed provisions of the UK Corporate Governance Code. In addition to this, the Board and its Committees oversaw and provided significant input into a number of important developments including those relating to our culture and purpose, diversity and inclusion, risk appetite and risk management, and executive remuneration. On Diversity and Inclusion we are working to double the number of women in our workforce by 2022.

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

This year, William Hayes will not put himself forward for re-election as a director. Bill has been a Non-Executive Director for 12 years, of which five were as the Senior Independent Director.

Bill, I would like to thank you, on behalf of the Board and myself, for your considerable contribution over the years during which the Company has grown production by over 50%, opened the Esperanza and Antucoya mines and acquired an interest in Zaldivar while also exiting the water business and Michilla.

I would also like to take this opportunity to welcome Michael Anglin, who joined the Board as an independent non-executive director at the beginning of this month and is standing for election at this meeting. Mike has a long and distinguished career in the mining industry, working in South America and the United States for over 30 years in base metals. Most recently, Mike was the Vice President of Operations and Chief Operating Officer of BHP's Base Metals Group, based in Santiago, and in this role he was responsible for most of BHP's large-scale mines in South America. He is currently Chairman of SSR Mining and has served on its Corporate Governance & Nominating Committee, the Safety and Sustainability Committee and the Compensation Committee.

Mike, I look forward to working with you over the coming years.

We announced in November that Francisca Castro, who has served as an independent Non-Executive Director since 2016, has been appointed as Chair of the Remuneration and Talent Management Committee, having served on this committee for almost two-and-a-half years. Francisca has replaced Tim Baker in this role and I would like to thank them both, and indeed all of our committee members, for their hard work over the course of the year.

The role of the Remuneration and Talent Management Committee is vital in ensuring that we maintain strong and transparent relations and a dialogue with our employees and contractors and I am proud that we maintain strong employee relations. We engage constantly with our workforce as this open dialogue is key to maintaining good relations and helps develop the trust that has built up between the Company and its employees.

Now looking forward, it is our view that the copper market continues to look tight, with the outlook for 2019 and beyond positive for copper prices. The picture is clouded by the short term volatility arising from current trade tensions. However, we are firm believers that a low carbon economy needs metals, particularly copper which allows the efficient use of electricity and is a critical element in renewable energy and electromobility. With our growing production, new developments underway and an attractive portfolio of future projects, we are well positioned to meet this demand with our next phase of considered growth.

I have no doubt that the future will bring many new opportunities and challenges. What I have learnt though is that by focusing on running safe and efficient operations, maintaining our costs and managing our development programmes, we will continue to succeed.

To summarise, 2018 was a year of good progress for our company and we are well positioned 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 contributions have helped to make Antofagasta what it is today.

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**Investors – London**

Andrew Lindsay                      alindsay@antofagasta.co.uk  
*Telephone*                              +44 20 7808 0983  
Andres Vergara                      avergara@antofagasta.co.uk  
*Telephone*                              +44 20 7808 0988

**Investors – Santiago**

Rene Aguilar                          raguilar@aminerals.cl  
*Telephone*                              +56 2 2798 7000

**Media – London**

Carole Cable                          antofagasta@brunswickgroup.com  
*Telephone*                              +44 20 7404 5959  
Will Medvei                          antofagasta@brunswickgroup.com  
*Telephone*                              +44 20 7404 5959

**Media – Santiago**

Pablo Orozco                          porozco@aminerals.cl  
Carolina Pica                          cpica@aminerals.cl  
*Telephone*                              +56 2 2798 7000

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