ANTOFAGASTA PLC

NEWS RELEASE, 10 AUGUST 2023

HALF YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2023
EARNINGS PER SHARE INCREASE BY 27%

Antofagasta plc CEO Iván Arriagada said: *"The first half of the year delivered another strong safety performance across all our operations. We continue to operate fatality free, and both leading and lagging indicators of safety are at a level ahead of last year.*

"Our financial metrics over the period were also strong; revenue was 14.3% higher due to higher copper, gold and molybdenum sales volumes and higher realised by-product prices, partially offset by a 3.4% decline in copper prices.

"We are focused on cost control through our Cost and Competitiveness Programme, which so far this year has delivered $60 million in savings and productivity improvements (equivalent of 9c/lb), achieving our goal of $60 million of savings for the full year. EBITDA was 7.5% higher and profit before tax was 12.5% higher than last year. Earnings per share came in at 33.5 cents, which is an increase of 26.9% compared to last year.

"Looking ahead to the second half of the year, we expect the desalination plant will continue to ramp-up to its design capacity, which will allow increased throughput at Los Pelambres, supporting the delivery of our production and cost guidance.

"Copper is the metal of electrification and therefore an integral part of the energy transition. We believe the long-term fundamentals for copper are very strong as demand is forecast to continue to grow over the coming years, and as incremental supply remains challenged. Our focus remains on growing production through our pipeline of projects safely and competitively, which will generate value for all our stakeholders.

"Consistent with our practice of paying 35% of interim net earnings as a dividend, the Board has declared an interim dividend of 11.7 cents per share."

HIGHLIGHTS

Financial performance

- **Revenue for the first half of 2023 was $2,890 million**, 14.3% higher than in the same period in 2022, mainly because of higher copper and by-product sales volumes and higher realised by-product prices.
- **EBITDA(1) was $1,331 million**, 7.5% higher than in the same period last year on higher revenue, partially offset by operating costs that increased by 14.8%, mainly due to higher sales volumes, inflation and a stronger Chilean peso.
- **EBITDA margin(2) was 46.1%**, compared with 49.0% in H1 2022.
- **The Cost and Competitiveness Programme generated savings and productivity improvements of $60 million** in the first half of 2023, equivalent to 9c/lb of unit cash costs, achieving our full year target of $60 million.
- **Profit before tax was $765 million,** 12.5% higher than the same period in 2022.
- **Continuing strong balance sheet with a net debt to EBITDA ratio at the end of the period of 0.27 times.** The Company's cash, cash equivalents and liquid investments balance as at 30 June 2023 was $2,350 million, almost unchanged from the balance of $2,391 million as at the end of 2022.
- **Cash flow from operations was $1,296 million,** down from $1,683 million in the first half of 2022, due to a significant positive working capital variance in H1 2022, which was not repeated in H1 2023.
- **Capital expenditure of $1,022 million,** which is 54% of full year guidance.
- **Earnings per share of 33.5 cents,** 7.1 cents higher than the same period in 2022.
- **Interim dividend of 11.7 cents per share,** equivalent to a pay-out ratio of 35% of underlying net earnings in line with the Company's capital allocation framework.

Production and cost performance (as previously announced on 19 July 2023)

- **Copper production in H1 2023 of 295,500 tonnes**, 10.0% higher year-on-year (H1 2022: 268,600 tonnes), principally reflecting a 23.9% increase in throughput at Los Pelambres.
- **Cash costs before by-product credits in H1 2023 were $2.48/lb**, a year-on-year increase of 4.6% due to higher input costs and the appreciation of the Chilean peso.
- **Net cash costs were $1.75/lb for the first half of the year**, compared to $1.82/lb in the first half of 2022, reflecting the increase in cash costs before by-product credits being more than offset by higher by-product credits.

2023 Guidance (as previously announced)

- Guidance has been updated to 640-670,000 tonnes (previously 670-710,000 tonnes), because of the rescheduling of completion activities at the desalination plant and concentrator expansion at Los Pelambres and the reduced availability of water in H1 2023. The expectation is that output will increase quarter-on-quarter in H2 2023 as both projects near completion of commissioning.
- The impact of the updated production guidance is partly offset by strong cost control across the Company's operations with full year cash costs before by-product credits now expected to be $2.30/lb (previously $2.20/lb).
- Guidance for cash costs after by-products remains unchanged at $1.65/lb, assuming no significant changes in current by-product prices and the Chilean peso exchange rate.
- Capital expenditure guidance is also unchanged at $1.9 billion assuming no further appreciation of the Chilean peso. Opportunities to accelerate the execution of selected development projects will continue to be evaluated, considering the return profiles of the individual options.
- The Group has now achieved its full year Cost and Competitiveness Programme savings and productivity improvement target of at least $60 million.

Growth projects (as previously announced)

- The desalination plant for Los Pelambres is nearing the end of its commissioning phase. The plant achieved an average production rate of 160 litres per second of desalinated water in June 2023, and is expected to continue to ramp-up production during H2 2023.
- At the concentrator expansion project at Los Pelambres, pre-operational testing work started during Q2 2023, alongside the commissioning of some ancillary sections of the project and the connection of the main facilities to the national grid. Commissioning is expected to be completed in H2 2023.
- An updated study into the development of the Centinela Second Concentrator project is expected to be submitted to the Board for consideration by the end of the year.
- The expansion at Centinela would increase production by an average of 170,000 tonnes per annum of copper equivalent, taking advantage of the large resource base in the Centinela district. This expansion is expected to move Centinela into the first quartile of the net of by-products cost curve.

Sustainability

- There were no fatalities in H1 2023 (FY 2022: zero), and safety indicators remain strong, with a year-to-date lost time injury frequency rate ("LTIFR") of 0.58 (FY 2022: 0.84).
- As previously reported, the Company (as well as other named defendants) submitted a response contradicting the allegations made by the Consejo de Defensa del Estado ("CDE"), an independent governmental agency that represents the interests of the Chilean state, who previously filed a claim against Minera Escondida, Albemarle and Zaldívar, alleging that their extraction of water from the Monturaqui-Negrillar-Tilopozo aquifer over the years has impacted the underground water level. The litigation remains outstanding as well as conversations among the parties regarding a potential settlement.
- Currently, Zaldívar is permitted to extract water and mine until 2025 and 2024 respectively. To ensure the continuity of this operation, in March 2023 Zaldívar submitted a Declaration of Environmental Impact ("DIA"), a more limited scope and simplified procedure than an Environmental Impact Assessment ("EIA"). The DIA

submitted requests that the mining permit be extended from 2024 to 2025, to expire at the same date as the current water permit. After this, and after withdrawing an earlier EIA application filed in 2018 which remained unresolved, in June 2023 Zaldívar submitted an EIA application to extend its mining and water environmental permits through to 2051. This EIA includes a proposal to develop the primary sulphide ore deposit, extending the current life of mine and requiring estimated investments over the mine life of $1.2 billion, and a conversion of the water source for Zaldívar to either seawater or water from third parties, following a transition period during which the current continental water extraction permit is extended from 2025 to 2028.

- With the continuing drought in central Chile and changes in the Water Code in 2022, discussions were held with stakeholders in the Choapa Valley about water distribution arrangements in the area and an agreement has been reached with local communities. The relevant water authority is now in the process of reviewing this proposal. This ongoing process involves no material change to the current availability of continental water at Los Pelambres.

Legislative

- In May 2023, both the Chilean Senate and lower house of Congress approved the proposed revision to Chile's mining royalty bill, with Presidential approval confirmed in August 2023. The terms include a 1% ad valorem royalty on copper sales, and a royalty ranging from 8% to 26% on operating profits depending on each mining operation's level of profitability, combined with a provision establishing that total taxation (including corporate income, the new royalty tax and tax on dividends) should not exceed 46.5% of profitability. This new law will come into effect at the beginning of 2024. Since Centinela and Antucoya have tax stability agreements, the new royalty rates will only apply from 2030. There will be a one-off non-cash adjustment to the deferred tax balances of each of the Group's mining operations reflecting the impact of the change in the 31 December 2023 results.
- The process to approve a new constitution in Chile continues. In May 2023, the members of the Constitutional Council that will draft the revised constitution were elected. The Council is expected to agree a final draft of the revised constitution in Q4 2023, before it is presented for approval in a national referendum on 17 December 2023.

Other

- As previously announced, following confirmation by the Australian Tax Office that the proceeds from the sale of the Group's interest in Reko Diq ($945 million) were not taxable, the funds were distributed to the Company during H1 2023. The Company will apply its capital allocation model to determine the final use of the proceeds.
- On 20 July 2023, the Company released its second annual Tax Payments Report. The report provides detailed information about the nature of the taxes paid by the Company and the amounts paid and can be found on the Company's website.
- The Company also released its second Social Value Report in July 2023, in which the Company reviews its involvement in the social and economic development of the areas where it operates.

UNAUDITED RESULTS SIX MONTHS ENDED 30 JUNE		2023	2022	%
Revenue	$m	2,890.1	2,528.2	14.3
EBITDA[1]	$m	1,331.0	1,237.7	7.5
EBITDA margin[1, 2]	%	46.1	49.0	(5.9)
Profit before tax	$m	764.5	679.6	12.5
Earnings per share	cents	33.5	26.4	26.9
Dividend per share	cents	11.7	9.2	27.2
Cash flow from operations	$m	1,296.4	1,682.5	(22.9)
Capital expenditure[3]	$m	1,021.9	831.0	23.0
Net debt at period end[1]	$m	821.3	491.4	67.1
Average realised copper price	$/lb	3.99	4.13	(3.4)
Copper sales[4]	kt	275.1	240.4	14.4
Gold sales	koz	78.9	73.6	7.2
Molybdenum sales	kt	5.2	3.9	33.3
Cash costs before by-product credits[1]	$/lb	2.48	2.37	4.6
Net cash costs[1]	$/lb	1.75	1.82	(3.8)

Note*: The financial results are prepared in accordance with IFRS unless otherwise noted below.*

(1) Non-IFRS measures. Refer to the alternative performance measures section on page 61 in the half-year financial report below.

(2) Calculated as EBITDA/Revenue. If Associates and JVs' revenue is included, EBITDA Margin was 43.2% in HY 2023 and 44.9% in HY 2022.

(3) On a cash basis.

(4) Does not include 20,300 tonnes of sales by Zaldívar in H1 2023 and 22,700 tonnes in H1 2022, as it is equity accounted.

A recording and copy of the 2023 Half Year Results presentation is available for download from the Company's website www.antofagasta.co.uk.

There will be a Q&A video conference call at 2:00pm (BST) today hosted by Iván Arriagada - Chief Executive Officer, Mauricio Ortiz - Chief Financial Officer and René Aguilar, Vice President - Corporate Affairs and Sustainability. Participants can join the conference call here.

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FINANCIAL AND OPERATING REVIEW

FINANCIAL HIGHLIGHTS

Revenue was $2,890.1 million, 14.3% higher than in the same period last year mainly as a result of copper, gold and molybdenum sales volumes being higher by 14.4%, 7.2% and 33.3% respectively, and higher realised by-product prices, partially offset by the realised copper price decreasing by 3.4%.

EBITDA during the first six months was $1,331.0 million, 7.5% higher than in the same period in 2022, reflecting higher revenue, partially offset by higher cost of sales which increased by 14.8% mainly due to higher sales volumes, inflation and a stronger Chilean peso.

Profit before tax was $764.5 million, 12.5% higher than in the same period in 2022 reflecting the higher EBITDA.

Earnings per share for the year were 33.5 cents, an increase of 26.9% compared with 2022.

Cash flow from operations was $1,296.4 million, a 22.9% decrease compared with the same period last year, due to a significant positive working capital variance in H1 2022 (following a reduction in receivables), which was not repeated in H1 2023.

The Board has declared an interim ordinary dividend of 11.7 cents per share, equal to a 35% pay-out ratio and in line with our dividend policy.

SUSTAINABILITY

Safety and health

Antofagasta prioritises the safety, health and wellbeing of its people. The Company is pleased to report that we continued to perform fatality free in H1 2023 (2022: zero), and a number of leading and lagging safety indicators improved during the year in comparison with H1 2022.

The Group has a safety management system that prioritises the elimination of fatalities. To help achieve this objective, the Group maintains a focus on the occurrence of high potential incidents (HPIs), which are a key leading indicator of safety performance. During the first half of 2023, the Group recorded 13 HPIs, which represents a 43% reduction compared to the previous year, with improvements seen in both the Mining and Transport Divisions.

A lagging indicator of safety is the Lost Time Injury Frequency Rate (LTIFR), which the Company seeks to keep below 1.0. In H1 2023, the Mining Division's LTIFR was 0.62, 22% below the same period in 2022. The overall Group LTIFR was 0.58 for H1 2023, a 30% improvement year-on-year.

To help achieve this improvement, the Group has increased its focus on risk identification and risk management processes, to identify and reduce repeated safety incidents. The Group also focuses on reducing risk in identified high risk areas and in H1 2023 we progressed our programme to install collision detection systems, which are planned to be installed in the haul trucks at all of our operations during the coming periods.

To further protect the wellbeing of our workforce, we have strengthened our monitoring programme for detecting and responding to occupational health and work-place related diseases, such as hearing loss, musculoskeletal conditions and psychosocial risks.

Communities

For Antofagasta, the success of our business model is directly connected to the development and well-being of local communities. Through regular dialogue, we identify social investments relevant to the specific needs of each community, whilst coordinating with local authorities on the implementation of each project.

In central Chile, close to Los Pelambres, recent community engagement work in the Province of Choapa includes the following highlights:

- APRoxima-EnRed Programme: Collaboration agreements were signed in H1 2023 with the Rural Sanitary Services ("SSRs") of the province for the implementation of this programme. Through this work, we are aiming to incorporate technology that will improve the availability, distribution and systematisation of information between all 80 local SSRs, and to help improve the management of available water resources.

- The formalisation of dialogue and due diligence agreements with nine Changas organisations from the Los Vilos commune: Under this framework, we are creating links and providing spaces for permanent dialogue between any indigenous peoples present in the Choapa Valley (Changos, Diaguitas and Mapuches) and Los Pelambres.
- The inauguration of a local healthcare facility, CESFAM, in Chillepín, which is a community located in the Choapa Valley: This facility will provide care to more than 6,700 people from rural towns in Valle Alto in the Salamanca district, with the Company contributing more than $2.5 million for its construction.

Community engagement highlights in the north of Chile include:

- The launch of the latest phase of “Diálogos para el Desarrollo María Elena” (Dialogues for Development in María Elena): This programme between Minera Antucoya and the Municipality of María Elena, aims to build trust and productivity between companies and communities. For the year 2023, this programme will help to finance initiatives in areas such as education, health, the local economy and culture.
- The inauguration of the "Sierra Gorda EnRed: Conectados al mundo” project (Connected to the World): This initiative aims to improve the connectivity of Sierra Gorda through high speed internet connections to more than 250 homes, in addition to providing free Wi-Fi points and enabling the adoption of new technologies in health, education and training facilities.
- Heritage rescue project with the Peine community: "Let's talk in Ckunza", which is a partnership with the Cultural Heritage Corporation of Chile and is sponsored by UNESCO. This project seeks to maintain community traditions and language, through local art projects and the creation of a documentary that aims to tell the story of the local language in the Peine community.

Diversity and inclusion

The Group’s Diversity and Inclusion Strategy, launched in 2018, has transitioned from an awareness-raising phase about unconscious bias and discrimination to introducing inclusive practices as an integral part of how we work.

The Company is deepening its inclusive organisational culture that supports the attraction and retention of all people, including women and those with disabilities or different cultural origins. As at the end of the first half of 2023, we have a 20.6% participation rate for women at our operations. We continue to deploy a range of initiatives to further increase this participation rate, to achieve our goal for women to represent 30% of our employees by 2025.

In addition to gender diversity, we promote disability inclusion throughout our business. Across the Group, 1.5% of those working for Antofagasta have a registered disability, exceeding a government-mandated minimum in Chile of 1%.

Climate change and emissions

During 2022 and 2023, the decarbonisation strategy for the Group has continued to mature, adding new initiatives and working on our interim goals to achieve carbon neutrality by 2050.

Regarding progress in our Decarbonisation Plan, we have made progress towards the implementation of a test to introduce trolley-assist technology at our Los Pelambres operation.

Water

Climate change continues to impact water availability in Chile, with our operations located in the Atacama Desert and central Chile, where there has been a drought for the last 14 years.

In order to reduce water-related risk, Los Pelambres is building a desalination project that produced an average of 160 litres per second of desalinated water in June 2023, and is expected to ramp-up production during H2 2023. Once commissioning is completed, the Group expects to have obtained the requisite permits to advance the next phase and commence construction to double the capacity of the plant to 800 litres per second, following which over 90% of Los Pelambres’s water usage will be from desalinated or recirculated water.

Considering the continuing drought in central Chile and the recent changes in the Water Code, discussions have been held during the year with stakeholders in the Choapa Valley about water distribution arrangements in the area and an agreement has been reached with local communities. The relevant water authority is now in the process of reviewing this proposal. This ongoing process involves no material change to the availability of continental water at Los Pelambres.

Currently, Zaldívar is permitted to extract water and mine until 2025 and 2024 respectively. To ensure the continuity of this operation, in March 2023 Zaldívar submitted a Declaration of Environmental Impact ("DIA"), a more limited scope and simplified procedure than an Environmental Impact Assessment ("EIA"). The DIA submitted requests that the mining permit be extended from 2024 to 2025, in order to expire at the same date as the current water permit. After this, and after withdrawing an earlier EIA with a permit extension filed in 2018 and which remained unresolved, in June 2023 Zaldívar submitted an EIA application to extend its mining and water environmental permits through to 2051. This EIA includes a proposal to develop the primary ore deposit beyond the current life of mine plan, requiring investments over the course of the mine life of $1.2 billion, and a conversion of the water use at Zaldívar to either seawater or water sourced from third parties, following a transition period which considers an extension to the current continental water extraction permit from 2025 to 2028.

Our operations at Centinela and Antucoya already operate solely using raw seawater, and in 2022 45.4% of the Group's water withdrawals were from sea water sources. The Group's water usage is expected to increase to 90% from being either sea water or recirculated water on completion of the expansion of the desalination plant at Los Pelambres in approximately 2026.

Suppliers

During December 2022, the Group launched its "Suppliers for a Better Future" programme, with activities commencing during H1 2023. This initiative has a focus on small and medium-sized local suppliers, to promote high standards in sustainability, including initiatives in diversity and inclusion, safety, community relations, local contracting and lowering emissions. This programme focuses on four key areas: (1) encouraging local development through employment and procurement, (2) improving working conditions, inclusion, safety and health, (3) environmental stewardship and (4) a commitment to innovation and supplier training.

In parallel, we have also created a free training platform for local suppliers to develop their skills, raise standards and increase the competitiveness of local industry.

PRODUCTION AND CASH COSTS

Group copper production in the first half of 2023 was 295,500 tonnes, 10.0% higher than in the same period last year, principally reflecting a 23.9% increase in throughput rates at Los Pelambres on a year-on-year basis.

Group gold production for the first six months increased by 16.8% to 86,200 ounces.

Molybdenum production was 4,900 tonnes, 22.5% higher than in the same period last year.

Group cash costs before by-product credits in the first half of 2023 were $2.48/lb, a year-on-year increase of 4.6% due to higher input costs and the appreciation of the Chilean peso.

Net cash costs were $1.75/lb for the first half of the year, compared to $1.82/lb in the first half of 2022, reflecting the increase in cash costs before by-product credits more than offset by higher by-product credits.

COST AND COMPETITIVENESS PROGRAMME

During the first half of the year, the Cost and Competitiveness Programme achieved savings and productivity improvements of $60 million, equivalent to 9c/lb as the Group has managed to reduce cash expenditure in some areas by optimising and negotiating third party services and increasing productivity. Given progress made in the first half, the Group has now achieved its savings target of $60 million for the full year. A sustained focus on operational efficiency remains a priority for the Group.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs were $62 million, $11 million higher than H1 2022, mainly as a result of a higher level of activity at Centinela during the period.

TAXATION

The effective tax rate for the period was 30.0%, partly reflecting a one-off adjustment to the provision for deferred withholding tax, which compares with 36.5% in 2022. For more information, please see the Financial Review Section of this report.

The income tax expense for the H1 2023 was $229 million compared to $248 million in H1 2022.

CAPITAL EXPENDITURE AND DEPRECIATION & AMORTISATION

Capital expenditure in H1 2023 was $1,022 million, including $281 million of sustaining capital expenditure, $390 million on mine development and $326 million of growth expenditure, of which $238 million was on the Los Pelambres Expansion project.

Group capital expenditure for the full year is expected to be $1.9 billion, in line with original guidance, assuming no further appreciation of the Chilean peso. Opportunities to accelerate the execution of selected development projects will continue to be evaluated.

Depreciation, amortisation and loss on disposals increased by $22 million to $511 million.

NET DEBT

Net debt at the end of the period was $821 million, largely reflecting the payment of the 2022 final dividend. The Net debt to EBITDA ratio at the end of the period was 0.27 times. Cash flow from operations reduced to $1,296 million compared with $1,683 million in H1 2022.

DIVIDENDS

The Board has declared an interim dividend of 11.7 cents per share, equivalent to $115.3 million and a pay-out ratio of 35%, consistent with the Company's policy and previous interim dividends. Any distribution of excess cash for the year, as defined under the policy, will be made as part of the final dividend.

LABOUR AGREEMENTS

In the Mining Division, a labour negotiation with the supervisors' union at Centinela was successfully concluded during May, resulting in a 3 year contract with a one-off payment fully expensed in the period. In addition, Zaldívar reached a 3 year agreement with its workforce in July. There are two other labour agreements that will expire during the year, both of which are with unions at Centinela (November).

In the Transport Division, a total of five union negotiations are due to take place during the year, with two already settled during July and the remaining three due to take place in September.

LEGISLATIVE

Proposed mining royalty

In May 2023, both the Chilean Senate and lower house of Congress approved the proposed revision to Chile's mining royalty bill, with Presidential approval confirmed in August 2023. The terms include a 1% ad valorem royalty on copper sales, and a royalty ranging from 8% to 26% on operating profits depending on each mining operation's level of profitability, combined with a provision establishing that total taxation (including corporate income, the new royalty tax and tax on dividends) should not exceed 46.5% of profitability. This new law will come into effect at the beginning of 2024. Since Centinela and Antucoya have tax stability agreements, the new royalty rates will only apply from 2030. There will be a one-off non-cash adjustment to the deferred tax balances of each of the Group's mining operations reflecting the impact of the change in the 31 December 2023 results.

Constitutional convention

The process to approve a new constitution in Chile continues. In May 2023 members of the Constitutional Council that will draft the revised constitution were elected. The Council is expected to agree a final draft of the revised constitution in Q4 2023, before it is presented for approval in a national referendum on 17 December 2023.

INNOVATION

Fleet autonomy / Remote operation

In January 2023, Centinela became the first private mining company in the country to implement autonomy in 100% of the mining fleet in the Esperanza Sur pit. Currently, the operation has 17 trucks and 2 autonomous drills that are controlled centrally at the Company's remote operations centre (see section below). In addition to this milestone, the Group has advanced work to implement autonomous drilling operations at Zaldívar and remote operation of equipment at Antucoya. Both projects will come into operation during the last quarter of the year.

Integrated Remote Operations Centre (IROC)

During H1 2023, Centinela transferred the operation of its autonomous truck fleet to its IROC in the city of Antofagasta. Los Pelambres has an IROC in Santiago, and both are improving the integration of their operations.

Cuprochlor-T®

The Company's Cuprochlor-T® technology to leach primary sulphide ores was made available to each operation within the Group during H1 2023, in order to evaluate its potential impact at each site. Exploratory tests have been carried out with Antucoya beginning profile engineering studies, and Zaldívar continuing the evaluation of its primary sulphides project.

Electromobility

The Group is working on the deployment of electromobility as part of its long-term decarbonisation plan. In June 2023, Centinela inaugurated 50 electric light vehicles – the largest fleet of its kind in Chile's mining industry – and other ancillary electric mining equipment such as front-end loaders, excavators and trucks, with a focus on evaluating the performance of similar equipment elsewhere in the Group.

REKO DIQ PROJECT

Following confirmation by the Australian Tax Office that the proceeds from the sale of the Group's interest in Reko Diq (amounting to $945 million) were not taxable, the funds have been distributed to the Company during H1 2023. The Company will apply its capital allocation model to determine the final use of the proceeds.

FUTURE GROWTH

The Group has a pipeline of growth projects to develop our significant 20 billion tonne Mineral Resource base, which we are currently advancing through a disciplined process of project evaluation.

The desalination plant for Los Pelambres is nearing the end of its commissioning phase. The plant achieved an average production rate of 160 litres per second of desalinated water in June 2023, and is expected to continue to ramp-up production during H2 2023.

At the concentrator expansion project at Los Pelambres, pre-operational testing work started in Q2 2023, alongside the commissioning of some key sections of the project and the connection of main facilities to the national grid. The commissioning phase of this growth project is expected to be completed in H2 2023.

An updated study into the development of the Centinela Second Concentrator project is expected to be submitted to the Board for consideration by the end of the year.

OUTLOOK

The rescheduling of marine work at the desalination plant due to sea swell conditions combined with lack of rainfall in H1 2023, has decreased this year's expected production at Los Pelambres, and as such, guidance for full year is adjusted to 640-670,000 tonnes of copper production. Further details on guidance for the year can be found above.

The Company's average realised copper price was $3.99/lb in H1 2023, 3.4% below the same period in 2022. Looking forward, the global shift towards clean electricity has elevated demand for copper at a time when global supply is facing issues such as declining ore grades, supply disruptions, prolonged permitting processes for new projects, amongst other factors. Global copper consumption is estimated to increase by 2.4% per annum between 2021 and 2050, with total demand rising from approximately 25 million tonnes to 53 million tonnes during this timeframe, and modelling of net-zero scenarios forecast a potential shortfall of up to 9.9 million tonnes of refined copper by 2035.[1] To close this supply gap, it is expected that higher copper prices, and reduced permitting delays for both greenfields and brownfields expansion projects will be required to incentivise more projects into development.

In Chile, the proposed mining royalty received approval from the Senate and lower house of Congress, as well as Presidential approval in August 2023, following five years of debate within Chile that has created uncertainty for

[1] Source: S&P Global, "The Future of Copper" Report, July 2022.

investors in Chile’s mining sector. The process to determine a new constitution will see a national referendum on 17 December 2023, following the election of the members of the Constitutional Council in May 2023.

We have a range of growth projects being implemented throughout our portfolio that will provide incremental growth in the medium term, including ongoing studies into the potential construction of a second concentrator at Centinela, which provides a pathway to grow output to 900,000 tonnes of copper production. The Company will continue to evaluate opportunities to accelerate the execution of selected development projects.

REVIEW OF OPERATIONS AND PROJECTS

MINING DIVISION

LOS PELAMBRES

Financial performance

EBITDA at Los Pelambres was $769.9 million in the first half of 2023, a 50.8% increase compared with $510.6 million in the first six months of 2022. This increase was mainly due to higher sales of copper (34.2% increase), molybdenum (37.0% increase) and gold (34.9% increase), which was partially offset by higher operating costs during the period. The production of molybdenum and gold increased by 25.9% and 27.3% respectively.

Production

In the first six months of 2023, copper production increased by 30.6% to 128,500 tonnes compared with the same period last year, mainly driven by a 23.9% increase in throughput. Operations were impacted by the continued lack of rainfall in H1 2023 and the rescheduled ramp-up of the desalination plant reducing throughput below the anticipated levels but, as mentioned previously, these were higher than the prior period.

Molybdenum production for the first six months of the year increased to 3,400 tonnes from 2,700 in H1 2022, due to higher throughput and grades. Gold production in H1 increased to 19,600 oz from 15,400 oz H1 2022, due to the higher throughput.

Costs

Cash costs before by-product credits for the first six months of 2023 were $2.04/lb, 1.0% higher than in the same period last year, as higher production substantially offset higher input costs.

For the first six months of 2022, by-product credits were $0.87/lb, 25.4% higher than the same period from 2022.

Net cash costs for the year to date decreased by 11.4% to $1.17/lb, driven by higher by-product credits in H1 2023.

Capital expenditure

Total capital expenditure at Los Pelambres in the first six months of 2023 was $486.6 million, of which $145.8 million was sustaining capital expenditure, $96.4 million was mine development and $237.7 million was on the Los Pelambres Expansion project.

Compared with H1 2022, total capital expenditure increased by 20.4%, with this increase including a $30.3 million increase in sustaining capital expenditure, a $29.4 million increase in mine development and a $19.2 million increase in expenditure on the Los Pelambres Expansion.

CENTINELA

Financial performance

EBITDA for the first six months of 2023 was $489.3 million, a decrease of 7.1% compared with the first half of 2022. This decrease was principally due to lower copper cathode sales volumes, higher operating costs and the lower realised copper price compared with the same period last year.

Production

Total copper production in H1 2023 was 109,200 tonnes, 1.9% lower than in H1 2022 due to lower throughput and ore grades at Centinela Cathodes, slightly offset by higher grades at Centinela Concentrates.

Production of copper in concentrates was 74,200 tonnes for the half year, 12.1% higher than in the same period last year, mainly due to the expected higher copper grade of 0.50% compared with 0.44% in H1 2022. This was partially offset by decreased throughput.

Copper cathode production for the first six months was 35,000 tonnes, 22.4% lower than in the same period last year primarily due to lower grades.

Gold production in H1 was 66,700 ounces, 14.2% higher than H1 last year as grades, which are correlated to copper grades, increased.

Molybdenum production in H1 2023 increased to 1,500 tonnes from 1,300 tonnes in H1 2022 due to higher grades and recoveries.

Costs

Cash costs before by-product credits for the first six months of 2023 were $2.82/lb, 5.2% higher than the same period in 2022 primarily due to lower production, higher input costs and the appreciation of the Chilean peso.

For the first six months of 2023, by-product credits were $0.94/lb, 24c/lb higher than in the same period last year, reflecting higher input costs for labour, partially offset by lower pricing for diesel and sulphuric acid. The appreciation of the Chilean peso during H1 2023 also increased the Company's cost base on a year-on-year basis.

Net cash costs during the first six months of the year were $1.88/lb, 10.0c/lb lower than in H1 2022, reflecting strong pricing for molybdenum in early 2023.

Capital expenditure

Capital expenditure in the first six months of 2023 was $459.0 million, of which $104.2 million was sustaining capex, $284.3 million was mine development and $70.5 million was development capex, of which $51.7 million was on the Centinela Second Concentrator project (H1 2022: $44.7 million).

Compared with H1 2022, total capital expenditure at Centinela increased by 18.5% in H1 2023, as a result of $52.7 million higher expenditure on sustaining capital expenditure and a $50.8 million increase on mine development.

ANTUCOYA

Financial performance

For the first half of the year, EBITDA was $103.9 million, a decrease of 32.3% compared with $153.4 million in the same period last year, due to the lower realised copper price and higher operating costs.

Production

Production in the first six months of 2023 was 38,000 tonnes, 4.4% higher than the same period last year due to higher throughput and higher grades.

Costs

During the first six months, cash costs were 8.8% higher than in H1 2022 at $2.72/lb, with key drivers being an increase in the acid consumption rate, higher input costs and the appreciation of the Chilean peso.

Capital expenditure

Capital expenditure in the first six months of the year was $41.2 million, of which $30.8 million was sustaining capex, $9.7 million was mine development and $0.7 million was development capex.

Compared with H1 2022, capital expenditure increased by 88.1% in H1 2023, which was mainly due to an increase of $9.8 million in sustaining capital expenditure and $8.8 million on mine development.

ZALDÍVAR

Financial performance

Attributable EBITDA at Zaldívar was $42.5 million in the first half of 2023, compared with $104.8 million in the same period last year because of lower sales volumes and higher operating costs.

Production

Attributable copper production at Zaldívar for the year to date was 19,800 tonnes, 12.0% lower than in the same period last year due to lower throughput and lower copper grades.

Costs

Cash costs during the first six months of 2023 were $2.96/lb compared with $2.14/lb in the same period in 2022, mainly due to lower production, higher expenditure on maintenance and spare parts, and the appreciation of the Chilean peso.

Capital expenditure

In the first six months of 2023, attributable capital expenditure was $19.9 million of which $15.0 million was sustaining capital expenditure and $4.9 million was development capital expenditure.

Compared with H1 2022, capital expenditure was 20.7% lower, mainly due to an expected decrease of $2.4 million in sustaining capital expenditure and $2.8 million on growth expenditure.

TRANSPORT DIVISION

Financial performance

EBITDA at the Transport Division was $35.6 million in the first half of 2023, a 3.5% improvement on the same period last year because of higher revenue.

Transport volumes

Total transport volumes in the first half were 0.5% lower compared to H1 2022, primarily related to operational interruptions following a fire at the port in 2022.

Capital expenditure

Capital expenditure for the first half of the year was $24.7 million, an increase of 80.3% compared with the same period in 2022, with increased investment in track maintenance and development projects.

GROWTH PROJECTS AND OPPORTUNITIES

LOS PELAMBRES EXPANSION

The Los Pelambres Expansion project is divided into two phases with Phase 1 expected to be in production in H2 2023 and Phase 2 in 2026.

Phase 1

This phase is designed to optimise throughput within the limits of the existing operating, environmental and water extraction permits.

As mining progresses at Los Pelambres, ore hardness will increase. The expansion is designed to compensate for this, increasing plant throughput from its current capacity of 175,000 tonnes of ore per day to an average of 190,000 tonnes of ore per day. The expansion is divided into two sub-projects, the construction of a desalination plant and water pipeline from the coast to the El Mauro tailings storage facility, and the expansion of the concentrator plant, which includes the installation of an additional SAG mill and ball mill, and six additional flotation cells. The capital cost estimate for Phase 1 is $2.3 billion.

Compared to the case without project at the time the project was approved, annual copper production will be increased by an average of 60,000 tonnes per year over 15 years, starting at approximately 40,000 tonnes per year for the first four to five years and rising to 70,000 tonnes per year for the rest of the period as the hardness of the ore increases and the benefit of the higher milling capacity is fully realised.

In 2020, the decision was made to change the scope of the project and double the planned capacity of the desalination plant from 400 litres per second to 800 litres per second. However, the additional work on this expansion that can be carried out during Phase 1 is limited by what is allowed under the permits that have already been issued so the remaining work will be treated as a separate project subject to the receipt of the necessary permits. The cost of the additional work is included in the Phase 1 capital cost.

Work at the desalination plant progressed during H1 2023, and water production averaged 160 litres per second in June 2023. The plant is expected to ramp-up production during H2 2023, helping to stabilise water availability.

Pre-operational testing of the fourth concentrator line at Los Pelambres has now commenced following the connection of this equipment to the national grid. Commissioning of individual circuits such as the flotation circuit has commenced, with the commissioning phase expected to be completed in H2 2023.

Phase 2 – Future expansion

Following the decision in 2020 to increase the size of the desalination plant, Phase 2 of the expansion requires two separate Environmental Impact Assessment ("EIA") applications; one for the expansion of the desalination plant and one for the extension of the mine life of Los Pelambres through an increase in the size of the El Mauro tailings storage facility. The latter EIA will also provide the option to further increase the throughput capacity of the concentrator plant.

- *Desalination plant expansion*

This project will protect Los Pelambres from the future impact of climate change and the deteriorating availability of water in the region. The project cost will be reported as part of the Group's sustaining capital expenditure.

The project includes the expansion of the desalination plant and the construction of a new water pipeline from the El Mauro tailings storage facility to the concentrator plant. In 2021 Los Pelambres submitted the EIA required for this project, which includes the desalination plant expansion and two other sustaining capital infrastructure projects, the replacement of the concentrate pipeline and the construction of certain planned enclosures at the El Mauro tailings storage facility. EIA approval is expected in time for the project to be completed in 2026, by which time over 90% of Los Pelambres' water needs will be fulfilled by desalinated and recirculated water.

- *Mine life extension*

The current mine life of Los Pelambres is 12 years and is limited by the capacity of the El Mauro tailings storage facility. The scope of the second EIA will include increasing the capacity of the tailings storage facility and the mine waste storage. This will extend the mine's life by a minimum of 15 years, accessing a larger portion of Los Pelambres' six billion tonnes of mineral resources. The EIA will also provide for the option to increase throughput to 205,000 tonnes of ore per day, increasing copper production by an estimated 35,000 tonnes per year, according to the pre-feasibility studies (2014).

The capital expenditure to extend the mine life was estimated at approximately $500 million in a 2014 pre-feasibility study, with most of the expenditure on mining equipment, increasing the capacity of the concentrator and the El Mauro tailings facility. Key studies on tailings and waste storage capacity have advanced and community consultations are underway. The relevant environmental and social studies are being prepared and should be submitted to the authorities during 2023/2024 as part of the EIA application.

Centinela Second Concentrator

We are currently evaluating the construction of a second concentrator and tailings deposit some 7 kilometres from the existing concentrator, to take place in two phases. The EIA for both phases was approved in 2016.

Detailed engineering plans and costings have recently been updated for Phase 1 of the project and key contracts finalised, subject to Board approval of the project. The Phase 1 capacity of the new concentrator will be 95,000 tonnes of ore per day, producing on average approximately 170,000 tonnes of copper equivalent (copper, gold and molybdenum) a year over the first 10 years of operation. This will move Centinela into the first cost quartile of global producers.

The Phase 1 capital cost is estimated at $3.7 billion, including a concentrator plant, Esperanza Sur capitalised stripping, mining equipment for Esperanza Sur, a new tailings storage facility, a water supply system and other infrastructure, pre-commercial production operating costs, and owner's and other costs.

An updated study into the development of the Centinela Second Concentrator project is expected to be submitted to the Board for consideration by the end of the year. Work on Phase 2 would only start once construction of Phase 1 is completed and it is operating successfully.

The second concentrator, and its potential further expansion to 150,000 tonnes of ore per day, will source ore initially from the recently opened Esperanza Sur pit and later from the Encuentro pit. The sulphide ore in the Encuentro pit lies under the Encuentro Oxides reserves, which are expected to be depleted by 2026. Fully exposing the sulphide ore in the optimal sequence required to initiate feed to the second concentrator from the Encuentro Pit is expected to require separate investments in infrastructure, mining equipment and mine development activities, which would commence half-way through the construction phase of the second concentrator and will span a period of 3-4 years. If the Company elects to proceed with the Centinela Second Concentrator project, the combined investment in mine development and sustaining capital across the Centinela district is expected to increase from an actual average of $650 million per annum in 2021-2023 to an average of approximately $900 million per annum during 2025-2027, enabling a doubling of ore supply from Centinela's mining operations.

During H1 2023, the Company continued the tender process inviting third parties to provide water for Centinela's current and future operations by acquiring the existing water supply system and building the new water pipeline.

This process is expected to be completed during the year. The outsourcing of the water supply will only proceed if it improves the net present value of the project.

Twin Metals Minnesota

Twin Metals Minnesota ("Twin Metals") is a wholly owned copper, nickel and platinum group metals ("PGM") underground mining project, which holds copper, nickel/cobalt and PGM deposits in north-eastern Minnesota, US. The planned project is over a portion of the total resource and envisages mining and processing 18,000 tonnes of ore per day for 25 years and producing three separate concentrates – copper, nickel/cobalt and PGM.

In 2019, Twin Metals submitted its Mine Plan of Operations ("MPO") and Scoping Environmental Assessment Worksheet Data Submittal, to the US Bureau of Land Management ("BLM", a bureau in the Department of Interior) and the Minnesota Department of Natural Resources ("DNR"), respectively. However, over the past three years, while the Twin Metals project was advancing its environmental review, several actions were taken by the federal government that have changed the potential outcomes for the project.

In 2021, the BLM rejected advancing Twin Metals' preference right lease applications ("PRLAs") and prospecting permit applications ("PPAs").

In early 2022, the Department of Interior ("DOI") took an additional action through a legal opinion issued by the Office of the Solicitor ("M-Opinion"). This action arbitrarily cancelled Twin Metals' federal mining leases 1352 and 1353, citing concerns with the reinstatement and renewal process.

Also in early 2022, the BLM stopped its evaluation of Twin Metals' MPO and an administrative court dismissed Twin Metals' appeal of that decision.

In August 2022, Twin Metals filed a claim in federal court challenging the administrative actions resulting in the rejection of the PRLAs, the cancellation of its federal leases 1352 and 1353, the rejection of its MPO and the dismissal of the administrative appeal of the MPO rejection. Twin Metals considers the actions of the Government to be arbitrary and capricious, contrary to the law and in violation of its rights. This action is pending.

In January 2023, the DOI issued an order effectively banning mining in approximately 225,000 acres of the Superior National Forest for 20 years, subject to valid existing rights.

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2023

Results (unaudited)

	Six months ended 30.06.2023	Six months ended 30.06.2022
	$m	$m
Revenue	**2,890.1**	**2,528.2**
EBITDA (including share of EBITDA from associates and joint ventures)	**1,331.0**	**1,237.7**
Total operating costs	**(2,116.4)**	**(1,886.9)**
Operating profit from subsidiaries	**773.7**	**641.3**
Net share of results from associates and joint ventures	**(0.4)**	**49.1**
Total profit from operations, associates and joint ventures	**773.3**	**690.4**
Net finance expense	**(8.8)**	**(10.8)**
Profit before tax	**764.5**	**679.6**
Income tax expense	**(229.3)**	**(247.9)**
Profit for the year	**535.2**	**431.7**
Attributable to:		
Non-controlling interests	**204.8**	**171.4**
Profit attributable to the owners of the parent	**330.4**	**260.3**
Basic earnings per share	cents	Cents
Basic earnings per share from continuing operations	**33.5**	**26.4**

The $70.1 million increase in the profit for the financial period attributable to the owners of the parent from $260.3 million in the first six months of 2022 to $330.4 million in the current period reflected the following factors:

	$m
Profit for the financial period attributable to the owners of the parent in H1 2022	**260.3**
Increase in revenue	361.9
Increase in total operating costs	(229.5)
Decrease in net share of results from associates and joint ventures	(49.5)
Decrease in net finance expenses	2.0
Decrease in income tax expense	18.6
Increase in non-controlling interests	(33.4)
	70.1
Profit for the financial period attributable to the owners of the parent in H1 2023	**330.4**

Revenue

The $361.9 million increase in revenue from $2,528.2 million in the first six months of 2022 to $2,890.1 million in the current period reflected the following factors:

	$m
Revenue in the first six months of 2022	**2,528.2**
Increase in copper sales volumes	316.5
Decrease in realised copper price	(82.7)
Increase in treatment and refining charges	(30.8)
Increase in gold revenue	17.3
Increase in molybdenum revenue	130.3
Increase in silver revenue	4.8
Increase in transport division revenue	6.5
	361.9
Revenue in the first six months of 2023	**2,890.1**

Revenue from the Mining division

Revenue in the first half of 2023 from the Mining division increased by $355.4 million, or 14.6%, to $2,791.6 million, compared with $2,436.2 million in the first six months of 2022. The increase reflected a $203.0 million increase in copper sales and a $152.4 million increase in by-product revenue.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales increased by $203.0 million, or 9.5%, to $2,332.8 million, compared with $2,129.8 million in the first six months of 2022. The increase reflected the impact of $316.5 million from higher sales volumes, partly offset by a $82.7 million reduction from lower realised prices and $30.8 million from higher treatment and refining charges.

(i) Copper volumes

Copper sales volumes reflected within revenue increased by 14.4% from 240,400 tonnes in 2022 to 275,100 tonnes in 2023, increasing revenue by $316.5 million. This increase was mainly due to higher volumes at Los Pelambres (32,900 tonne increase), reflecting higher throughput in the current period in comparison with the low throughout in the first six months of 2022 due to limited water availability and the concentrate pipeline issue in June 2022.

(ii) Realised copper price

The average realised price decreased by 3.4% to $3.99/lb in the first six months of 2023 (first half of 2022 – $4.13/lb), resulting in a $82.7 million decrease in revenue. The LME average market price decreased by 10.8% in H1 2023 to $3.95/lb (first half of 2022 - $4.43/lb). In the first half of 2023 there was a $33.4 million positive impact from provisional pricing adjustments, mainly as a result of a positive impact in the settlement of sales invoiced in the previous year partially offset by the slight decrease in the period end mark to market price to $3.78/lb at 30 June 2023, compared with $3.80/lb at 31 December 2022. Conversely there had been a $206.8 million negative impact from provisional pricing adjustments in the first six months of 2022, which mainly reflected the decrease in the period-end copper price to $3.75/lb at 30 June 2022, compared with $4.42/lb at 31 December 2021.

Realised copper prices are determined by comparing revenue (before treatment and refining charges for concentrate sales) with sales volumes in the period. Realised copper prices differ from market prices mainly because, in line with industry practice, concentrate and cathode sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price in future periods (normally around one month after delivery to the customer in the case of cathode sales and four months after delivery to the customer in the case of concentrate sales).

Further details of provisional pricing adjustments are given in Note 6 to the condensed consolidated interim financial statements.

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate increased by $30.8 million to $87.8 million in the first half of 2023, compared with $57.0 million in the first six months of 2022, reflecting higher rates and increased concentrate sales volumes at Los Pelambres.

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount reflects the invoiced price (which reflects the net of the market value of fully refined metal less the treatment and refining charges). However, under the standard industry definition of unit cash costs, treatment and refining charges are regarded as part of cash costs.

Accordingly, the increase in these charges has had a negative impact on revenue in the year.

Revenue from molybdenum, gold and other by-product sales

Revenue from by-product sales at Los Pelambres and Centinela relate mainly to molybdenum and gold and, to a lesser extent, silver. Revenue from by-products increased by $152.4 million or 49.8% to $458.8 million in the first half of 2023, compared with $306.4 million in the first six months of 2022. This increase was mainly due to the higher molybdenum realised price and higher molybdenum sales volumes.

Revenue from molybdenum sales (net of roasting charges) was $272.2 million (first half of 2022 - $141.9 million), an increase of $130.3 million. The increase was due to higher sales volumes of 5,200 tonnes (first half of 2022 – 3,900 tonnes) and a 38.9% higher realised price of $25.0/lb (first half of 2022 – $18.0/lb).

Revenue from gold sales (net of treatment and refining charges) was $156.7 million (first half of 2022 - $139.4 million), an increase of $17.3 million which reflected an increase in volumes and a higher realised price. Gold sales volumes increased by 7.2% from 73,600 ounces in the first half of 2022 to 78,900 ounces in the first six months of 2023, mainly due to higher production at Los Pelambres. The realised gold price was $1,989.4/oz in the first half of 2023 compared with $1,899.3/oz in the first six months of 2022, reflecting the average market price for 2023 of $1,931.6/oz (2022 - $1,873.4/oz) and a positive provisional pricing adjustment of $1.9 million.

Revenue from silver sales increased by $4.8 million to $29.9 million (first six months of 2022 - $25.1 million). The increase was due to higher sales volumes of 1.2 million ounces (first half of 2022 – 1.1 million ounces) and a 6.0% higher realised silver price of $24.9/oz (first six months of 2022 - $23.5/oz).

Revenue from the Transport division

Revenue from the Transport division (FCAB) increased by $6.5 million or 7.1% to $98.5 million (first six months of 2022 - $92.0 million), mainly due to better prices linked to current sales contracts.

Total operating costs

The $229.5 million increase in total operating costs from $1,886.9 million in the first half of 2022 to $2,116.4 million in the first six months of 2023 reflected the following factors:

	$m
Total operating costs in the first half of 2022	**1,886.9**
Increase in mine-site operating costs	164.5
Increase in closure provision and other mining expenses	18.6
Increase in exploration and evaluation costs	10.6
Increase in corporate costs	8.2
Increase in Transport division operating costs	5.3
Increase in depreciation, amortisation and loss on disposals	22.3
	229.5
Total operating costs in the first six months of 2023	**2,116.4**

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Mining division

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Mining division increased by $201.9 million to $1,542.2 million in the first half of 2023, an increase of 15.1%. Of this increase, $164.5 million was attributable to higher mine-site operating costs. This increase in mine-site costs reflected higher general inflation, the stronger Chilean peso and increased sales volumes in the period partially offset by the cost savings from the Group's Cost and Competitiveness Programme, lower key input prices and commercial costs. On a unit cost basis, weighted average cash costs excluding treatment and refining charges and by-product revenue increased from $2.25/lb in the first six months of 2022 to $2.32/lb in the first half of 2023. As detailed in the alternative performance measures section on page 61 of the half-year financial report, for accounting purposes by-product credits and treatment and refining charges both impact revenue and don't therefore affect operating expenses.

The Cost and Competitiveness Programme was implemented to reduce the Group's cost base and improve its competitiveness within the industry. During the first half of 2023, the programme achieved benefits of $60.5 million in the mining division, of which $37.5 million reflected cost savings and $23 million reflected the value of productivity improvements. Of the $37.5 million of cost savings, $36.2 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and $1.3 million related to Zaldívar (on a 100% basis) and therefore impacted the share of results from associates and joint ventures.

Closure provisions and other mining expenses increased by $18.6 million. Exploration and evaluation costs increased by $10.6 million to $62.0 million (2022 – $51.4 million), reflecting increased exploration and evaluation expenditure principally in respect of geotechnical drilling in Centinela. Corporate costs increased by $8.2 million.

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division

Operating costs (excluding depreciation, amortisation and loss on disposals) at the Transport division increased by $5.3 million to $62.9 million (first half of 2022 - $57.6 million), mainly due to general inflation and the stronger Chilean peso.

Depreciation, amortisation and disposals

The depreciation and amortisation charge increased by $22.3 million in the first half of 2023 to $511.3 million (first half of 2022 - $489.0 million). This increase is mainly due to higher amortisation of IFRIC 20 stripping costs at Centinela and Los Pelambres, as well as increased inventory variation, partially offset by lower amortisation of pre-stripping and start-up costs at Centinela.

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries increased by $132.4 million or 20.6% in 2023 to $773.7 million (first half of 2022 - $641.3 million).

Share of results from associates and joint ventures

The Group's share of results from associates and joint ventures decreased by $49.5 million to a loss of $0.4 million in the first six months of 2023, compared with a profit of $49.1 million in the first half of 2022. Of this decrease, $49.9 million was due to the lower profit from Zaldívar, reflecting the decreased copper sales volumes, due to lower throughput and lower copper grades, a lower realised copper price and higher cash costs.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation) increased by $93.3 million or 7.5% to $1,331.0 million (first half of 2022 - $1,237.7 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division increased by $91.6 million or 7.6% from $1,200.3 million in the first six months of 2022 to $1,291.9 million this half year. This reflected the higher revenue, partially offset by higher mine-site costs and lower EBITDA from associates and joint ventures.

EBITDA at the Transport division increased by $1.7 million to $39.1 million in 2023 ($37.4 million – first half of 2022), reflecting the higher revenue and slightly increased EBITDA from associates, offset by the higher operating costs.

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for the first six months of 2023 of a 10% movement in the average copper, molybdenum and gold prices and a 10% movement in the average US dollar / Chilean peso exchange rate.

The impact of the movement in the average commodity prices reflects the estimated impact on the relevant revenues during the first six months of 2023, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the period. These estimates do not reflect any impact in respect of provisional pricing or hedging instruments, any potential inter-relationship between commodity price and exchange rate movements, or any impact from the retranslation or changes in valuations of assets or liabilities held on the balance sheet at the period-end.

	Average market commodity price / average exchange rate during the six months ended 30.06.23	Impact of a 10% movement in the commodity price / exchange rate on EBITDA for the six months ended 30.06.23 $m
Copper price	$3.95/lb	257
Molybdenum price	$27.1/lb	31
Gold price	$1,932/oz	15
US dollar / Chilean peso exchange rate	806	79

Net finance expense

Net finance expense decreased by $2.0 million to $8.8 million, compared with $10.8 million in 2022.

	Six months ended 30.06.23 $m	Six months ended 30.06.22 $m
Investment income	72.1	4.3
Interest expense	(50.9)	(34.8)
Other finance items	(30.0)	19.7
Net finance expense	**(8.8)**	**(10.8)**

Investment income increased from $4.3 million in 2022 to $72.1 million in 2023, mainly due to an increase in average interest rates.

Interest expense increased from $34.8 million in 2022 to $50.9 million in 2023, reflecting an increase in the average interest rates.

Other finance items were a net loss of $30.0 million, compared with a net gain of $19.7 million in 2022, a variance of $49.7 million. This was mainly due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a $22.0 million loss in 2023 compared with a $26.6 million gain in 2022. In addition, there was an expense of $7.9 million in respect of the unwinding of the discounting of provisions (first half of 2022 – expense of $6.8 million).

Profit before tax

As a result of the factors set out above, profit before tax increased by 12.5% to $764.5 million in the first half of 2023 (first half of 2022 - $679.6 million).

Income tax expense

The tax charge in the first half of 2023 decreased by $18.6 million to $229.3 million (first half of 2022 – $247.9 million) and the effective tax rate was 30.0% (first half of 2022 – 36.5%).

	Six months ended 30.06.2023 ítems		Six months ended 30.06.2022 ítems	
	$m	**%**	$m	%
Profit before tax	**764.5**		679.6	
Tax at the Chilean corporate tax rate of 27%	**(206.4)**	**27.0**	(183.5)	27.0
Mining Tax (royalty)	**(47.1)**	**6.2**	(41.0)	6.0
Deduction of mining royalty as an allowable expense in determination of first category tax	**13.2**	**(1.7)**	11.7	(1.7)
Withholding tax	**19.7**	**(2.6)**	(32.0)	4.7
Items not deductible from first category tax	**(6.9)**	**0.9**	(13.7)	2.0
Adjustment in respect of prior years	**(0.9)**	**0.1**	(2.5)	0.4
Tax effect of share of profit of associates and joint ventures	**(0.1)**	**-**	13.0	(1.9)
Impact of unrecognised tax losses on current tax	**(0.8)**	**0.1**	0.1	0.0
Tax expense and effective tax rate for the period	**(229.3)**	**30.0**	(247.9)	36.5

The effective tax rate for the period was 30.0%, partly reflecting a one-off adjustment to the provision for deferred withholding tax, which compares with 36.5% in 2022. The complete reconciliation between the effective tax rate and the statutory tax rate reflects the following points:

The effective tax rate items of 30.0% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $33.9 million / 4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $6.9 million / 0.9%), and adjustments in respect of prior years (impact of $0.9 million / 0.1%), the impact of unrecognised tax losses (impact of $0.8 million / 0.1%), the recognition of the Group's share of results from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $0.1 million / nil), partly offset by the impact of the withholding tax relating to the remittance of profits from Chile (impact of $19.7 million / 2.6%).

Non-controlling interests

Profit for the first half of the year attributable to non-controlling interests was $204.8 million, compared with $171.4 million in the first half of 2022, an increase of $33.4 million. This reflected the increase in earnings analysed above.

Earnings per share

	Six months ended 30.06.23	Six months ended 30.06.22
	$ cents	$ cents
Basic earnings per share	**33.5**	26.4

Earnings per share calculations are based on 985,856,695 ordinary shares.

As a result of the factors set out above, profit attributable to equity shareholders of the Company was $330.4 million, compared with $260.3 million in the first half of 2022, and total earnings per share were 33.5 cents for the first half of 2023 (first half of 2022 – 26.4 cents per share).

Dividends

Dividends per share declared in relation to the period are as follows:

	Six months ended 30.06.23	Six months ended 30.06.22
	$ cents	$ cents
Ordinary dividends:		
Interim	**11.7**	9.2
Total dividends to ordinary shareholders	**11.7**	9.2

The Board determines the appropriate dividend each year based on consideration of the Group's cash balance, the level of free cash flow and underlying earnings generated during the year and significant known or expected funding commitments. It is expected that the total annual dividend for each year would represent a payout ratio based on underlying net earnings for that year of at least 35%.

The Board has declared an interim dividend for the first half of 2023 of 11.7 cents per ordinary share, which amounts to $115.3 million. The interim dividend will be paid on 29 September 2023 to ordinary shareholders that are on the register at the close of business on 1 September 2023.

Capital expenditure

Capital expenditure increased by $190.9 million from $831.0 million in the first half of 2022 to $1,021.9 million in the current period, mainly due to increased sustaining capex at Centinela and Los Pelambres, and increased mine development principally at Centinela.

Capital expenditure figures quoted in this report are on a cash flow basis, unless stated otherwise.

Cash flows

The key features of the cash flow statement are summarised in the following table.

	Six months ended 30.06.23 $m	Six months ended 30.06.22 $m
Cash flows from continuing operations	**1,296.4**	1,682.5
Income tax paid	(323.2)	(620.6)
Net interest paid	(18.2)	(26.2)
Purchases of property, plant and equipment	(1,021.9)	(831.0)
Dividends paid to equity holders of the Company	(497.9)	(1,172.2)
Dividends paid to non-controlling interests	-	(80.0)
Dividends from associates and joint ventures	-	50.0
Disposal of JV	944.7	-
Investment in other financial assets	(290.1)	-
Acquisition of equity investments	(8.4)	-
Other items	(0.1)	(0.1)
Changes in net cash/(debt) relating to cash flows	**81.3**	(997.6)
Other non-cash movements	(14.8)	(23.0)
Effects of changes in foreign exchange rates	(2.0)	(11.3)
Movement in net cash/(debt) in the period	**64.5**	(1,031.9)
Net (debt)/cash at the beginning of the year	(885.8)	540.5
Net (debt) at the end of the period	**(821.3)**	(491.4)

Cash flows from continuing operations were $1,296.4 million in the first half of 2023 compared with $1,682.5 million in the first half of 2022. This reflected EBITDA from subsidiaries for the period of $1,285.0 million (first half of 2022 – $1,130.3 million) adjusted for the negative impact of a net working capital increase of $12.2 million (first half of 2022 – positive impact of $569.7 million from a net working capital decrease), partly offset by a non-cash increase in provisions of $23.6 million (first half of 2022 – negative impact of a decrease in provisions of $17.5 million).

The $12.2 million working capital increase in the first six months of 2023 reflected an increase of work in progress inventories at Los Pelambres and Centinela, and a decrease in accounts payables, partially offset by a decrease in receivables, predominantly due to lower sales volumes at June 2023 compared with December 2022. The $569.7 million working capital decrease in the first six months of 2022 was mainly due to a decrease in receivables, reflecting lower sales volumes in June 2022 relative to December 2021, partly as a result of the concentrate pipeline issue at Los Pelambres in June 2022.

The net cash outflow in respect of tax in the first half of 2023 was $323.2 million (first half of 2022 – $620.6 million). This amount differs from the current tax charge in the consolidated income statement of $284.3 million (first half of 2022 – $276.1 million) mainly because cash tax payments for corporate tax and the mining tax include payments on account for the current year (based on prior periods' profit levels) of $311.0 million (first half of 2022 - $272.3 million), withholding tax payments of $0.1 million (first half of 2022 - $21.2 million), the settlement of outstanding balances in respect of the previous year's tax charge of $14.6 million (first half of 2022 - $332.2 million), as well as the recovery of $2.6 million relating to prior years (first half of 2022 – recovery of $5.1 million).

Capital expenditure in the first half of 2023 was $1,021.9 million compared with $831.0 million in the first half of 2022. This included expenditure of $486.6 million at Los Pelambres (first half of 2022 – $404.0 million), $459.0 million at Centinela (first half of 2022 – $387.2 million), $41.2 million at Antucoya (first half of 2022 – $21.9 million), $10.5 million at Corporate (first half of 2022 – $4.1 million) and $24.7 million at the Transport division (first half of 2022 - $13.8 million). The increase in capital expenditure reflects higher sustaining capex at Centinela and Los Pelambres, and increased mine development principally at Centinela.

As detailed in Note 14, in December 2022 Antofagasta completed its disposal of its 50% interest in the Tethyan joint venture. It was agreed that the disposal proceeds would be distributed to Antofagasta during 2023. In May 2023 the disposal proceeds of $944.7 million, plus interest of $11.6 million, were received by the Group.

There was a cash outflow of $290.1 million in respect of investment in other financial assets in the first six months of 2023 (2022 – nil).

Dividends paid to equity holders of the Company in the first half of 2023 were $497.9 million (first half of 2022 – $1,172.2 million), related to the payment of the final dividend declared in respect of 2022.

Dividends paid by subsidiaries to non-controlling shareholders were nil for the first half of 2023 (first half of 2022 was $80.0 million).

Financial position

	At 30.06.23	At 31.12.22
	$m	$m
Cash, cash equivalents and liquid investments	**2,349.5**	2,391.2
Total borrowings	**(3,170.8)**	(3,277.0)
Net cash/(debt) at the end of the period	**(821.3)**	(885.8)

At 30 June 2023, the Group had combined cash, cash equivalents and liquid investments of $2,349.5 million (31 December 2022 – $2,391.2). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $1,971.5 million (31 December 2022 – $1,991.0 million).

Total Group borrowings at 30 June 2023 were $3,170.8 million (at 31 December 2022 – $3,277.0 million). The decrease of $106.2 million was mainly due to repayment of part of the senior loans at Centinela ($55.6 million), Los Pelambres ($25.0 million), Antucoya ($25.0 million) and the Transport division ($5.3 million) partly offset by $18.6 million of new finance leases.

Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was $2,376.0 million (31 December 2022 – $2,449.7 million).

This resulted in net debt at 30 June 2023 of $821.3 million (31 December 2022 – net debt $885.8 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of $404.5 million (31 December 2022 – net debt $458.7 million).

Going concern

The financial information contained in this half-year financial report has been prepared on the going concern basis. Details of the factors which have been taken into account in assessing the Group's going concern status are set out in Note 1 to the half-year financial report.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The principal risks and uncertainties which were disclosed in the 2022 Annual Report are as follows:

- Talent management
- Labour relations
- Safety and health
- Environmental management
- Climate change
- Community relations
- Political, legal and regulatory
- Corruption
- Operations
- Tailing storage
- Strategic resources
- Cyber security
- Liquidity
- Commodity prices and exchange rates
- Growth of mineral resource base and opportunities
- Project development and execution
- Innovation and digitisation
- External risks

There have been no changes to the above categories of key risks in the first six months of 2023. A detailed explanation of the risks summarised above can be found in the Risk Management section of the 2022 Annual Report, which is available at www.antofagasta.co.uk.

Cautionary statement about forward-looking statements

This half-year results 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 apply 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: natural events, global economic conditions, demand, supply and prices for copper and other 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.

Consolidated Income Statement

	Notes	Six months ended 30.06.2023 (Unaudited)[1] Total $m	Six months ended 30.06.2022 (Unaudited) Total $m	Year ended 31.12.2022 excluding exceptional items Total $m	Year ended 31.12.2022 exceptional items note 3 Total $m	Year ended 31.12.2022 (Audited) Total $m
Revenue	5,6	**2,890.1**	2,528.2	5,862.0	-	5,862.0
Total operating costs	2	**(2,116.4)**	(1,886.9)	(4,227.7)	-	(4,227.7)
Operating profit from subsidiaries	2,5	**773.7**	641.3	1,634.3	-	1,634.3
Net share of results of associates and joint ventures	2,5,14	**(0.4)**	49.1	48.1	-	48.1
Gain on disposal of investment in joint venture	3,14	**-**	-	-	944.7	944.7
Operating profit from subsidiaries, and total profit from associates and joint ventures		**773.3**	690.4	1,682.4	944.7	2,627.1
Investment income		**72.1**	4.3	40.2	-	40.2
Interest expense		**(50.9)**	(34.8)	(78.6)	-	(78.6)
Other finance items		**(30.0)**	19.7	(29.8)	-	(29.8)
Net finance expense	8	**(8.8)**	(10.8)	(68.2)	-	(68.2)
Profit before tax		**764.5**	679.6	1,614.2	944.7	2,558.9
Income tax expense	9	**(229.3)**	(247.9)	(603.6)	-	(603.6)
Profit for the period		**535.2**	431.7	1,010.6	944.7	1,955.3
Attributable to:						
Non-controlling interests		**204.8**	171.4	422.3	-	422.3
Owners of the parent		**330.4**	260.3	588.3	944.7	1,533.0
		US cents	US cents	US cents	US cents	US cents
Basic earnings per share [1]	10	**33.5**	26.4	59.7	95.8	155.5

1. All earnings in all the periods presented are from continuing operations.

Consolidated Statement of Comprehensive Income

	Six months ended 30.06.2023 (Unaudited)	Six months ended 30.06.2022 (Unaudited)	Year ended 31.12.2022 (Audited)
	$m	$m	$m
Profit for the period	**535.2**	431.7	1,955.3
Items that may be or were subsequently reclassified to profit or loss:			
Currency translation adjustment	**0.4**	(0.7)	(0.4)
Total items that may be or were subsequently reclassified to profit or loss	**0.4**	(0.7)	(0.4)
Items that will not be subsequently reclassified to profit or loss:			
Actuarial losses on defined benefit plans	**(1.5)**	(1.9)	(18.1)
Gains/(losses) on fair value of equity investments	**0.6**	(2.1)	15.8
Tax relating to these items	**0.2**	0.7	5.7
Share of other comprehensive losses of associates and joint ventures, net of tax	**(0.9)**	-	-
Total Items that will not be subsequently reclassified to profit or loss	**(1.6)**	(3.3)	3.4
Total other comprehensive (expense)/income	**(1.2)**	(4.0)	3.0
Total comprehensive income for the period	**534.0**	427.7	1,958.3
Attributable to:			
Non-controlling interests	**204.5**	171.0	418.1
Owners of the parent	**329.5**	256.7	1,540.2
Total comprehensive income for the period - continuing operations	**534.0**	427.7	1,958.3

Consolidated Statement of Changes in Equity

For the six months ended 30.06.2023 (Unaudited)

	Share capital $m	Share premium $m	Other reserves $m	Retained earnings $m	**Equity attributable to equity owners of the parent $m**	Non-controlling interests $m	**Total equity $m**
Balance at 1 January 2023	89.8	199.2	5.0	8,333.5	**8,627.5**	3,016.9	**11,644.4**
Profit for the period	-	-	-	330.4	**330.4**	204.8	**535.2**
Other comprehensive income /(expense) for the period	-	-	1.0	(1.9)	**(0.9)**	(0.3)	**(1.2)**
Total comprehensive income for the period	**-**	**-**	**1.0**	**328.5**	**329.5**	**204.5**	**534.0**
Dividends	-	-	-	(497.9)	**(497.9)**	-	**(497.9)**
Balance at 30 June 2023	**89.8**	**199.2**	**6.0**	**8,164.1**	**8,459.1**	**3,221.4**	**11,680.5**

For the six months ended 30.06.2022 (Unaudited)

	Share capital $m	**Share premium** $m	**Other reserves** $m	**Retained earnings** $m	**Equity attributable to equity owners of the parent $m**	Non-controlling interests $m	**Total $m**
Balance at 1 January 2022	89.8	199.2	(10.4)	8,071.6	**8,350.2**	2,678.8	**11,029.0**
Profit for the period	-	-	-	260.3	**260.3**	171.4	**431.7**
Other comprehensive expense for period	-	-	(2.8)	(0.8)	**(3.6)**	(0.4)	**(4.0)**
Total comprehensive income for the year	**-**	**-**	**(2.8)**	**259.5**	**256.7**	171.0	**427.7**
Dividends	-	-	-	(1,172.2)	**(1,172.2)**	(80.0)	**(1,252.2)**
Balance at 30 June 2022	**89.8**	**199.2**	**(13.2)**	**7,158.9**	**7,434.7**	2,769.8	**10,204.5**

For the year ended 31.12.2022 Audited

	Share capital $m	Share premium $m	Other reserves $m	Retained earnings $m	**Equity attributable to equity owners of the parent $m**	Non-controlling interests $m	**Total equity $m**
Balance at 1 January 2022	89.8	199.2	(10.4)	8,071.6	**8,350.2**	2,678.8	**11,029.0**
Profit for the year	-	-	-	1,533.0	**1,533.0**	422.3	**1,955.3**
Other comprehensive income/(expense) for the year	-	-	15.4	(8.2)	**7.2**	(4.2)	**3.0**
Total comprehensive income for the year	**-**	**-**	**15.4**	**1,524.8**	**1,540.2**	418.1	**1,958.3**
Dividends	-	-	-	(1,262.9)	**(1,262.9)**	(80.0)	**(1,342.9)**
Balance at 31 December 2022	**89.8**	**199.2**	**5.0**	**8,333.5**	**8,627.5**	3,016.9	**11,644.4**

Consolidated Balance Sheet

		At 30.06.2023 (Unaudited)	At 30.06.2022 (Unaudited)	At 31.12.2022 (Audited)
Non-current assets	**Notes**	**$m**	$m	$m
Property, plant and equipment	13	**12,059.1**	10,924.0	11,543.5
Other non-current assets		**-**	0.6	1.1
Inventories		**407.2**	321.0	347.0
Investments in associates and joint ventures	15	**903.3**	905.2	904.6
Trade and other receivables		**61.2**	56.2	51.0
Equity investments		**99.5**	6.4	90.5
Deferred tax assets		**99.8**	74.3	78.5
		13,630.1	12,287.7	13,016.2
Current assets				
Inventories		**808.8**	699.5	708.1
Trade, other receivables and other financial assets		**1,166.7**	366.5	2,087.2
Current tax assets		**74.7**	36.0	35.6
Liquid investments	18	**2,046.2**	2,005.6	1,580.8
Cash and cash equivalents	18	**303.3**	872.6	810.4
		4,399.7	3,980.2	5,222.1
Total assets		**18,029.8**	16,267.9	18,238.3
Current liabilities				
Short-term borrowings and other financial liabilities	16	**(596.0)**	(268.6)	(432.5)
Trade and other payables		**(973.0)**	(835.1)	(1,079.7)
Short-term decommissioning & restoration provisions		**(23.6)**	(24.7)	(33.2)
Current tax liabilities		**(53.5)**	(51.2)	(60.4)
		(1,646.1)	(1,179.6)	(1,605.8)
Non-current liabilities				
Medium and long-term borrowings and other financial liabilities	16	**(2,574.8)**	(3,101.0)	(2,844.5)
Trade and other payables		**(7.4)**	(18.5)	(8.0)
Liabilities in relation to joint ventures	15	**-**	(0.9)	-
Post-employment benefit obligations		**(154.1)**	(100.6)	(137.3)
Decommissioning and restoration provisions		**(457.9)**	(301.7)	(455.0)
Deferred tax liabilities		**(1,509.0)**	(1,361.1)	(1,543.3)
		(4,703.2)	(4,883.8)	(4,988.1)
Total liabilities		**(6,349.3)**	(6,063.4)	(6,593.9)
Net assets		**11,680.5**	10,204.5	11,644.4
Equity				
Share capital		**89.8**	89.8	89.8
Share premium		**199.2**	199.2	199.2
Other reserves		**6.0**	(13.2)	5.0
Retained earnings		**8,164.1**	7,158.9	8,333.5
Equity attributable to owners of the parent		**8,459.1**	7,434.7	8,627.5
Non-controlling interests		**3,221.4**	2,769.8	3,016.9
Total equity		**11,680.5**	10,204.5	11,644.4

The condensed consolidated interim financial statements were approved by the Board of Directors on 9 August 2023

Consolidated Cash Flow Statement

	Notes	At 30.06.2023 (Unaudited) $m	At 30.06.2022 (Unaudited) $m	At 31.12.2022 (Audited) $m
Cash flows from continuing operations	17	1,296.4	1,682.5	2,738.3
Interest paid		(70.5)	(31.6)	(74.3)
Income tax paid		(323.2)	(620.6)	(787.1)
Net cash from operating activities		902.7	1,030.3	1,876.9
Investing activities				
Dividends from associates and joint ventures	15	-	50.0	50.0
Investment in other financial assets		(290.1)	-	-
Acquisition of equity investments		(8.4)	-	(66.5)
Disposal of interest in joint venture	14	944.7	-	-
Proceeds from sale of property, plant and equipment		-	0.1	0.2
Purchases of property, plant and equipment		(1,021.9)	(831.0)	(1,879.2)
Net (increase) /decrease in liquid investments	18	(449.6)	964.1	1,388.9
Interest received		52.3	5.4	29.1
Net cash used in investing activities		(773.0)	188.6	(477.5)
Financing activities				
Dividends paid to owners of the parent		(497.9)	(1,172.2)	(1,262.9)
Dividends paid to preference shareholders of the Company		(0.1)	(0.1)	(0.1)
Dividends paid to non-controlling interests		-	(80.0)	(80.0)
Proceeds from issue of new borrowings		-	866.1	865.9
Repayments of borrowings		(110.8)	(640.5)	(751.3)
Principal elements of lease payments		(35.1)	(54.6)	(105.4)
Net cash used in financing activities		(643.9)	(1,081.3)	(1,333.8)
Net (decrease)/increase in cash and cash equivalents	18	(514.2)	137.6	65.6
Cash and cash equivalents at beginning of the period		810.4	743.4	743.4
Net (decrease)/increase in cash and cash equivalents	18	(514.2)	137.6	65.6
Effect of foreign exchange rate changes	18	7.1	(8.4)	1.4
Cash and cash equivalents at end of the period	18	303.3	872.6	810.4

Notes

1. General information and accounting policies

a) General information

These condensed consolidated interim financial statements ("the interim financial statements") of the Antofagasta plc Group for the half-year reporting period ended 30 June 2023 were approved for issue by the Board of Directors of the Company on 9 August 2023. The interim financial statements are unaudited.

These interim financial statements have been prepared under the accounting policies as set out in the statutory accounts for the period ended 31 December 2022.

The interim financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

These interim financial statements do not include all of the notes of the type normally included in annual financial statements. Accordingly, the consolidated financial information is not in full accordance with UK-adopted International Accounting Standards. The consolidated financial information has been prepared on the going concern basis.

The information contained in this announcement for the periods ended 30 June 2022 and 31 December 2022 also does not constitute statutory accounts. A copy of the statutory accounts for the year ended 31 December 2022 has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, with no matters by way of emphasis, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

The Group's total revenue was previously referred to as "Group revenue" on the face of the income statement; for simplicity and clarity this has now been changed to "Revenue".

Going concern

The Directors have assessed the going concern status of the Group, considering the period to 31 December 2024.

The Group's business activities, together with those factors likely to affect its future performance, are set out in the Directors' Comments, and in particular within the Review of Operations. Details of the cash flows of the Group during the period, along with its financial position at the period-end, are set out in the Financial Review. The condensed consolidated financial statements include details of the Group's cash, cash equivalents and liquid investment balances in Note 18, and details of borrowings are set out in Note 16.

When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash, cash equivalents and liquid investments and the terms and remaining durations of the borrowing facilities in place. The Group had a strong financial position as at 30 June 2023, with combined cash, cash equivalents and liquid investments of $2,349.5 million. Total borrowings were $3,170.8 million, resulting in a net debt position of $821.3 million. Of the total borrowings, only $596.0 million is repayable within one year, and $744.9 million repayable between one and two years.

When assessing the prospects of the Group, the Directors have considered the Group's copper price forecasts, the Group's expected production levels, operating cost profile and capital expenditure. These forecasts are based on the Group's budgets and life-of-mine models, which are also used when assessing relevant accounting estimates, including depreciation, deferred stripping and closure provisions. This analysis has focused on the existing asset base of the Group, without factoring in potential development projects, which is considered appropriate for an assessment of the Group's ability to manage the impact of a depressed economic environment. The analysis has only included the drawdown of existing committed borrowing facilities, and has not assumed that any new borrowing facilities will be put in place. The analysis has included the forecast impact of the new Chilean mining royalty. The Directors have assessed the key risks which could impact the prospects of the Group over the going concern period and consider the most relevant to be risks to the copper price outlook, as this is the factor most likely to result in significant volatility in earnings and cash generation. Robust downside sensitivity analyses have been performed, assessing the standalone impact of each of:

- A significant deterioration in the future copper price forecasts by 20% throughout the going concern period,
- An even more pronounced short-term reduction of a further 50 c/lb in the copper price for a period of 3 months, in addition to the above deterioration of 20% in the copper price throughout the review period,
- The potential impact of the Group's most significant individual operational risks, and
- A shutdown of any one of the Group's operations for a period of three months.

The stability of tailings storage facilities represents a potentially significant operational risk for mining operations globally. The Group's tailings storage facilities are designed to international standards, constructed using downstream methods, subject to rigorous monitoring and reporting, and reviewed regularly by an international panel of independent experts. Given these standards of design, development, operations and review, the impact of a potential tailings dam failure has not been included in the sensitivity analysis.

The above downside sensitivity analyses indicated results which could be managed in the normal course of business, including the aggregate impact of a number of the above sensitivities occurring at the same time. The analysis indicated that the Group is expected to remain in compliance with all of the covenant requirements of its borrowings throughout the review period and retain sufficient liquidity. Based on their assessment of the Group's prospects and viability, the Directors have formed a judgement, at the time of approving the condensed consolidated interim financial statements, that there are no material uncertainties that the Directors are aware of that cast doubt on the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2024. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

b) Adoption of new accounting standards

The following accounting standards, amendments and interpretations became effective in the current reporting period but the application of these standards and interpretations had no material impact on the amounts reported in these interim financial statements:

- IFRS 17 *Insurance Contracts,*
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12),
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12),
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2, and
- Definition of Accounting Estimates – Amendments to IAS 8.

c) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. None of these standards are expected to have a significant impact on the Group.

Amendments to IFRSs	**Effective date**
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)[1]	Annual periods beginning on or after January 1, 2024

[1] These amendments are still subject to UK endorsement.

d) Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements and keys estimate applied in these interim financial statements (which are consistent with the 2022 year-end) are:

Judgements

- Non-financial assets impairment– see Note 4 for relevant details
- Capitalisation of project costs within property, plant and equipment - the costs of developing mining properties are capitalised as property, plant and equipment when the mining project is considered to be commercially viable. Commercial viability is normally considered to be demonstrable when the project has completed a pre-feasibility study, and the start of a feasibility study has been approved. Management reviews amounts capitalised to ensure that the treatment of that expenditure as capital rather than operating expenditure is reasonable, in particular in respect of the commercial viability of the project.

Estimates

- Deferred taxation - no deferred tax liability is recognised in respect of the undistributed earnings of subsidiaries where it is not likely that those profits will be distributed in the foreseeable future. When determining whether it is likely that distributions will be made in the foreseeable future, and what is the appropriate foreseeable future period for this purpose, the Group considers factors such as the predictability of the likely future Group dividends, taking into account the Group’s dividend policy and the level of potential volatility of the Group’s future earnings, as well as the current level of distributable reserves at the Antofagasta plc entity level.

2. Operating profit from subsidiaries, and total profit from associates and joint ventures

	Six months ended 30.06.2023 (Unaudited)	Six months ended 30.06.2022 (Unaudited)	Year ended 31.12.2022 (Audited)
	$m	$m	$m
Revenue	**2,890.1**	2,528.2	5,862.0
Cost of sales	**(1,677.2)**	(1,490.6)	(3,432.7)
Gross profit	**1,212.9**	1,037.6	2,429.3
Administrative and distribution expenses	**(316.4)**	(294.0)	(558.9)
Other operating income	**21.1**	21.1	37.9
Other operating expenses[1]	**(143.9)**	(123.4)	(274.0)
Operating profit from subsidiaries	**773.7**	641.3	1,634.3
Net share of (loss)/profit from associates and joint ventures	**(0.4)**	49.1	48.1
Gain on disposal of investment in joint venture	**-**	-	944.7
Total profit from operations, associates and joint ventures	**773.3**	690.4	2,627.1

[1]Other operating expenses comprise $62.0 million of exploration and evaluation expenditure for the 2023 half year (six months ended 30 June 2022 - $51.4 million), $10.3 million in respect of the employee severance provision for the 2023 half year (six months ended 30 June 2022 - $7.2 million), $14.7 million in respect of the closure provision for the 2023 half year (six months ended 30 June 2022 - $6.6 million), and $56.9 million of other expenses for the 2023 half year (six months ended 30 June 2022 - $58.2 million).

3. Exceptional items

Exceptional items are material items of income and expense which are non-regular or non-operating and typically non-cash, including impairments and profits or losses on disposals. The tax effect of items presented as exceptional is also classified as exceptional, as are material deferred tax adjustments that relate to more than one reporting period. The classification of these types of items as exceptional is considered to be useful as it provides an indication of the underlying earnings generated by the ongoing businesses of the Group.

Six months ended 30 June 2023

There were no exceptional items in the six months ended 30 June 2023.

2022 - Disposal of investment in Tethyan joint venture

On 15 December 2022, Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture. As a result, Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. Further details of the agreements and gain on disposal are set out in Note 14.

4. Asset sensitivities

There were no indicators of potential impairment, or reversal of previous impairments, for the Group's non-current assets associated with its mining operations as at 30 June 2023, and accordingly no impairment tests have been performed. The impairment indicator assessment included consideration of the potential indicators set out in IAS 36, 'Impairment of Assets', which included quantitative analysis based on the operations' life-of-mine models ("the models"). These models provide indicative valuations and do not represent, or comply with, a formal impairment assessment prepared in accordance with IAS 36. Sensitivity analyses have been performed on the models to quantify the impact of changes in assumptions to which the models are most sensitive and to support the overall impairment indicator assessment.

As noted above, no qualitative indicators of potential impairment or potential reversal of impairment were identified. Similarly, no quantitative indicators of impairment were identified, with the models used within the impairment indicator assessment continuing to indicate positive headroom for all of the Group's mining operations, including the Zaldívar joint venture, with the indicated value of the assets in excess of their carrying value.

Relevant aspects of this process are detailed below:

Copper price outlook

The assumption to which the value of the assets is most sensitive is the future long-term copper price. The copper price forecasts (representing the Group's estimates of the assumptions that would be used by independent market participants in valuing the assets) are based on consensus analyst forecasts. A long-term copper price of $3.70/lb (reflecting 2023 real terms) has been used in the models for the impairment indicator assessment, which has increased from $3.50/lb (reflecting 2022 real terms) at the prior year-end. As an additional down-side sensitivity, an indicative valuation was performed with a long-term copper price of $3.33/lb, reflecting a 10% reduction in the long-term price forecast. Los Pelambres and Centinela still showed positive headroom in their models in this alternative down-side scenario. However, the Antucoya valuation indicated a potential deficit of $180 million and the Zaldívar valuation indicated a potential deficit of $150 million (on a 50% basis). This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. In reality, a deterioration in the long-term copper price environment is likely to result in corresponding improvements in a range of input cost factors. In particular, given that copper exports account for over 50% of Chile's exports, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and a decrease in the copper price may therefore result in a weakening of the Chilean peso, with a resulting reduction in the Group's operating costs and capital expenditure in US$ terms. These likely cost reductions, as well as potential operational changes which could be made in a weaker copper price environment, could partly mitigate the impact of the lower copper price modelled in these estimated potential sensitivities.

The US dollar/Chilean peso exchange rate

The value of the assets is also sensitive to movements in the US dollar/Chilean peso exchange rate. A long-term exchange rate of Ch$785/$1 has been used in the models considered as part of the impairment indicator assessment. This compares with the long-term exchange rate of CH$850/$1 used at the 2022 year-end. As an additional downside sensitivity an indicative valuation was prepared with a 10% stronger long-term Chilean peso exchange rate assumption. All of the Group's mining operations still showed positive headroom in their models in this alternative down-side scenario. As noted above, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and so a strengthening of the Chilean peso may often reflect a stronger copper price environment, which could mitigate the impact of a stronger exchange rate.

Climate risks

The models incorporate estimates of potential future climate-related impacts. In the 2022 Annual Report, the Group disclosed in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). As part of the preparation of the disclosures for the 2023 Annual Report, scenario analyses assessing the potential future impact of transition and physical risks, as well as potential copper price upside due to increased demand for the construction of electric vehicles and renewable power generating capacity, are being prepared. The combined estimated impact of these factors has been incorporated into the models.

Chilean mining royalty

The models include the forecast impact of the new Chilean mining royalty.

Other relevant assumptions

In addition to the impact of the future copper price, the US dollar/Chilean peso exchange rate, climate-related impacts and the new Chilean mining royalty regime, the models used in the impairment indicator assessment are sensitive to the assumptions in respect of future production levels, operating costs, sustaining and development capital expenditure, and the discount rate used to determine the present value of the future cash flows.

A real post-tax discount rate of 8% (calculated using relevant market data) has been used in determining the present value of the changes in forecast future cash flows from the assets as part of the quantitative analysis performed for the overall impairment indicator assessment.

In the case of Zaldívar, in addition to the assumptions made in respect of the factors outlined above, the conclusion that there are no impairment indicators reflects certain assumptions about future operational factors to which the model considered as part of the impairment indicator assessment is sensitive, in particular the following:

● Currently, Zaldívar is permitted to extract water and mine until 2025 and 2024 respectively. To ensure the continuity of this operation, in March 2023 Zaldívar submitted a Declaration of Environmental Impact ("DIA"), a more limited scope and simplified procedure than an Environmental Impact Assessment ("EIA"). The DIA submitted requests that the mining permit be extended from 2024 to 2025, to expire at the same date as the current water permit. After this, and after withdrawing an earlier EIA application filed in 2018 which remained unresolved, in June 2023 Zaldívar submitted an EIA application to extend its mining and water environmental permits through to 2051. This EIA includes a proposal to develop the primary sulphide ore deposit, extending the current life of mine and requiring investments over the mine life of $1.2 billion, and a conversion of the water source for Zaldívar to either seawater or water from third parties, following a transition period during which the current continental water extraction permit is extended from 2025 to 2028. The impairment indicator assessment assumes that the DIA and EIA will be granted, to enable the continued operation of the mine without interruption. However, if this is not the case, this is likely to be considered an indicator of a potential impairment, requiring an IAS 36 impairment assessment at that point.

● Zaldívar's final pit phase, which represents approximately 20% of current ore reserves, impacts a portion of Minera Escondida's mine property, as well as infrastructure owned by third parties (a road, railway, power line and pipelines). Mining of the phase will be subject to agreements or easements to access these areas and relocate the infrastructure, and related permits. The impairment indicator assessment assumes that the necessary agreements, easements and permits will be obtained to allow the mining of the final pit phase.

5. Segmental analysis

The Group's reportable segments, which are the same as its operating segments, are as follows:

- Los Pelambres
- Centinela
- Antucoya
- Zaldívar
- Exploration and evaluation
- Corporate and other items
- Transport division

For management purposes, the Group is organised into two business divisions based on their products – Mining and Transport. The mining division is split further for management reporting purposes to show results by mine and exploration activity. Los Pelambres produces primarily copper concentrate and molybdenum as a by-product. Centinela produces copper concentrate containing gold as a by-product, copper cathodes and molybdenum concentrates. Antucoya and Zaldívar produce copper cathodes. The transport division provides rail and road cargo transport together with a number of ancillary services. All the operations are based in Chile. The Exploration and evaluation segment incurs exploration and evaluation expenses. "Corporate and other items" comprises costs incurred by the Company, Antofagasta Minerals S.A., the Group's mining corporate centre and other entities, that are not allocated to any individual business segment. Consistent with its internal management reporting, the Group's corporate and other items are included within the mining division.

The Chief Operating decision-maker (the Group's Chief Executive Officer) monitors the operating results of the business segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on the operating profit of each of the segments.

a) Segment revenues and results

For the six months ended 30.06.2023 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	**Transport division**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Revenue	1,332.4	1,128.7	330.5	-	-	-	**2,791.6**	98.5	**2,890.1**
Operating costs excluding depreciation and amortisation	(562.5)	(639.4)	(226.6)	-	(62.0)	(51.7)	**(1,542.2)**	(62.9)	**(1,605.1)**
Depreciation and amortisation	(137.5)	(300.6)	(52.3)	-	-	(7.9)	**(498.3)**	(13.0)	**(511.3)**
Operating profit/(loss)	632.4	188.7	51.6	-	(62.0)	(59.6)	**751.1**	22.6	**773.7**
Net share of results from associates and joint ventures	-	-	-	(1.7)	-	-	**(1.7)**	1.3	**(0.4)**
Operating profit from subsidiaries, and total profit from associates and joint ventures	632.4	188.7	51.6	(1.7)	(62.0)	(59.6)	**749.4**	23.9	**773.3**
Investment income	20.4	6.7	3.2	-	-	41.4	**71.7**	0.4	**72.1**
Interest expense	(2.2)	(7.2)	(14.8)	-	-	(26.1)	**(50.3)**	(0.6)	**(50.9)**
Other finance items	(8.7)	(14.1)	(2.8)	-	-	(5.4)	**(31.0)**	1.0	**(30.0)**
Profit/(loss) before tax	641.9	174.1	37.2	(1.7)	(62.0)	(49.7)	**739.8**	24.7	**764.5**
Tax	(193.6)	(47.9)	(6.6)	-	-	28.0	**(220.1)**	(9.2)	**(229.3)**
Profit/(loss) for the period	448.3	126.2	30.6	(1.7)	(62.0)	(21.7)	**519.7**	15.5	**535.2**
Non-controlling interests	172.3	31.6	2.5	-	-	(1.6)	**204.8**	-	**204.8**
Profit/(loss) attributable to the owners of the parent	276.0	94.6	28.1	(1.7)	(62.0)	(20.1)	**314.9**	15.5	**330.4**
EBITDA[1]	769.9	489.3	103.9	42.5	(62.0)	(51.7)	**1,291.9**	39.1	**1,331.0**
Additions to non-current assets									
Additions to property, plant and equipment	480.1	458.1	48.0	-	-	11.8	**998.0**	26.3	**1,024.3**
Segment assets and liabilities									
Segment assets	7,178.1	5,904.7	1,679.2	-	-	1,952.7	**16,714.7**	411.8	**17,126.5**
Investments in associates and joint ventures	-	-	-	894.8	-	-	**894.8**	8.5	**903.3**
Segment liabilities	(3,125.8)	(1,437.0)	(511.4)	-	-	(1,199.9)	**(6,274.1)**	(75.2)	**(6,349.3)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

[2] Operating cash outflow in the exploration and evaluation segment was $58.3 million.

For the six months ended 30.06.2022 (Unaudited)

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	Transport division	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Revenue	950.9	1,130.3	355.0	-	-	-	**2,436.2**	92.0	**2,528.2**
Operating costs excluding depreciation and amortisation	(440.3)	(603.4)	(201.6)	-	(51.4)	(43.6)	**(1,340.3)**	(57.6)	**(1,397.9)**
Depreciation and amortisation	(109.2)	(307.3)	(50.3)	-	-	(7.6)	**(474.4)**	(14.6)	**(489.0)**
Operating profit/(loss)	401.4	219.6	103.1	-	(51.4)	(51.2)	**621.5**	19.8	**641.3**
Net share of income/(loss) from associates and joint ventures	-	-	-	48.6	-	(0.3)	**48.3**	0.8	**49.1**
Investment income	1.3	1.1	0.3	-	-	1.4	**4.1**	0.2	**4.3**
Interest expense	(1.4)	(4.5)	(8.4)	-	-	(19.0)	**(33.3)**	(1.5)	**(34.8)**
Other finance items	4.0	13.4	2.1	-	-	1.3	**20.8**	(1.1)	**19.7**
Profit/(loss) before tax	405.3	229.6	97.1	48.6	(51.4)	(67.8)	**661.4**	18.2	**679.6**
Tax	(121.5)	(69.6)	(27.3)	-	-	(25.2)	**(243.6)**	(4.3)	**(247.9)**
Profit/(loss) for the period	283.8	160.0	69.8	48.6	(51.4)	(93.0)	**417.8**	13.9	**431.7**
Non-controlling interests	107.7	45.6	17.7	-	-	0.4	**171.4**	-	**171.4**
Profit/(loss) for the period attributable to owners of the parent	176.1	114.4	52.1	48.6	(51.4)	(93.4)	**246.4**	13.9	**260.3**
EBITDA[1]	510.6	526.9	153.4	104.8	(51.4)	(44.0)	**1,200.3**	37.4	**1,237.7**
Additions to non-current assets									
Capital expenditure	475.1	396.6	25.9	-	-	4.1	**901.7**	14.7	**916.4**
Segment assets and liabilities									
Segment assets	5,934.6	5,699.9	1,675.2	-	-	1,634.6	**14,944.3**	418.4	**15,362.7**
Investments in associates and joint ventures	-	-	-	898.6	-	-	**898.6**	6.6	**905.2**
Segment liabilities	(2,827.4)	(1,459.2)	(543.7)	-	-	(1,149.7)	**(5,980.0)**	(83.4)	**(6,063.4)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.
[2] Operating cash outflow in the exploration and evaluation segment was $40.7 million.

For the year ended 31.12.2022 Audited

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation[2]	Corporate and other items	**Total Mining**	Transport division	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	$m	**$m**
Revenue	2,558.9	2,406.2	703.5	-	-	-	**5,668.6**	193.4	**5,862.0**
Operating costs excluding depreciation, amortisation and loss on disposals	(1,086.1)	(1,249.0)	(442.3)	-	(113.0)	(75.0)	**(2,965.4)**	(119.1)	**(3,084.5)**
Depreciation and amortisation	(276.1)	(710.2)	(105.6)	-	-	(18.7)	**(1,110.6)**	(30.5)	**(1,141.1)**
Loss on disposals	(0.5)	(1.0)	-	-	-	(0.6)	**(2.1)**	-	**(2.1)**
Operating profit/(loss)	1,196.2	446.0	155.6	-	(113.0)	(94.3)	**1,590.5**	43.8	**1,634.3**
Net share of results from associates and joint ventures	-	-	-	47.3	-	(0.7)	**46.6**	1.5	**48.1**
Gain on disposal of investment in joint venture [3]	-	-	-	-	-	944.7	**944.7**	-	**944.7**
Operating profit from subsidiaries, and total profit from associates and joint ventures	1,196.2	446.0	155.6	47.3	(113.0)	849.7	**2,581.8**	45.3	**2,627.1**
Investment income	10.7	6.6	2.4	-	-	19.8	**39.5**	0.7	**40.2**
Interest expense	(3.3)	(10.6)	(19.9)	-	-	(44.2)	**(78.0)**	(0.6)	**(78.6)**
Other finance items	(5.2)	(11.3)	(6.6)	-	-	(5.0)	**(28.1)**	(1.7)	**(29.8)**
Profit/(loss) before tax	1,198.4	430.7	131.5	47.3	(113.0)	820.3	**2,515.2**	43.7	**2,558.9**
Tax	(371.8)	(130.8)	(34.9)	-	-	(50.8)	**(588.3)**	(15.3)	**(603.6)**
Profit/(loss) for the year	826.6	299.9	96.6	47.3	(113.0)	769.5	**1,926.9**	28.4	**1,955.3**
Non-controlling interests	319.3	82.9	21.2	-	-	(1.1)	**422.3**	-	**422.3**
Profit/(loss) attributable to owners of the parent	507.3	217.0	75.4	47.3	(113.0)	770.6	**1,504.6**	28.4	**1,533.0**
EBITDA[1]	1,472.8	1,157.2	261.2	147.2	(113.0)	(75.7)	**2,849.7**	80.0	**2,929.7**
Additions to non-current assets									
Additions to property, plant and equipment	965.2	889.0	75.1	-	0.5	16.4	**1,946.2**	55.8	**2,002.0**
Segment assets and liabilities									
Segment assets	6,786.6	5,922.8	1,708.0	-	-	2,504.1	**16,921.5**	412.2	**17,333.7**
Investments in associates and joint ventures	-	-	-	897.3	-	-	**897.3**	7.3	**904.6**
Segment liabilities	(3,155.0)	(1,565.1)	(558.1)	-	-	(1,225.8)	**(6,504.0)**	(89.9)	**(6,593.9)**

[1] EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

[2] Operating cash outflow in the exploration and evaluation segment was $98.3 million.

[3] An exceptional gain of $944.7 million has been recognised in respect of the Group's disposal of its investment in the Tethyan joint venture (see notes 3 and 14)

b) Entity wide disclosures

Revenue by product

	Six months ended 30.06.2023 $m	Six months ended 30.06.2022 $m	Year ended 31.12.2022 $m
Copper			
- Los Pelambres	**1,054.6**	786.9	2,107.7
- Centinela concentrates	**575.8**	524.7	1,132.7
- Centinela cathodes	**327.4**	406.8	844.4
- Antucoya	**327.2**	352.1	697.5
Provision of shipping services			
- Los Pelambres	**23.0**	21.9	51.9
- Centinela concentrates	**18.3**	31.3	58.5
- Centinela cathodes	**3.2**	3.2	6.7
- Antucoya	**3.3**	2.9	6.0
Gold			
- Los Pelambres	**41.5**	29.3	75.4
- Centinela concentrates	**115.2**	110.1	238.4
Molybdenum			
- Los Pelambres	**197.6**	100.1	291.4
- Centinela concentrates	**74.6**	41.8	100.8
Silver			
- Los Pelambres	**15.7**	12.7	32.5
- Centinela concentrates	**14.2**	12.4	24.7
Total Mining	**2,791.6**	2,436.2	5,668.6
Transport division	**98.5**	92.0	193.4
	2,890.1	2,528.2	5,862.0

Revenue by location of customer

	Six months ended 30.06.2023 $m	Six months Ended 30.06.2022 $m	Year ended 31.12.2022 $m
Europe			
- United Kingdom	**6.9**	37.6	71.0
- Switzerland	**188.0**	398.8	753.6
- Spain	**-**	0.9	1.0
- Germany	**82.8**	86.4	140.0
- Rest of Europe	**37.9**	4.6	96.5
Latin America			
- Chile	**217.9**	157.3	369.1
- Rest of Latin America	**45.4**	82.6	179.7
North America			
- United States	**173.4**	112.1	312.3
Asia Pacific			
- Japan	**952.6**	663.0	1,668.6
- China	**584.8**	562.4	1,072.0
- Singapore	**244.0**	161.3	423.8
- South Korea	**235.6**	148.6	332.2
- Hong Kong	**75.9**	25.8	178.2
- Rest of Asia	**44.9**	86.8	264.0
	2,890.1	2,528.2	5,862.0

Information about major customers

In the first half of 2023, the Group´s mining revenue included $519.9 million related to one large customer that individually accounted for more than 10% of the Group’s revenue (six months ended 30 June 2022 – one large customer representing $363.4 million; year ended 31 December 2022 – one large customer representing $785.5 million)

Non-current assets by location of asset

	Six months ended 30.06.2023	Six months ended 30.06.2022 Restated[1]	Year ended 31.12.2022
	$m	$m	$m
- Chile	**13,359.8**	12,140.3	12,786.1
- Other	**9.8**	10.4	10.1
	13,369.6	12,150.7	12,796.2

[1] The comparatives have been restated to show a reclassification of $9.5 million for the half year 2022 from the “Chile” to the “Other” category.

The following table reconciles between the total non-current assets on the balance sheet with the non-current assets relevant to the above geographical analysis:

	Six months ended 30.06.2023	Six months ended 30.06.2022	Year ended 31.12.2022
	$m	$m	$m
Non-current assets per the balance sheet	**13,630.1**	12,287.7	13,016.2
The above amounts reflect non-current assets excluding;			
- Deferred tax assets	(99.8)	(74.3)	(78.5)
- Trade and other receivables	(61.2)	(56.2)	(51.0)
- Equity investments	(99.5)	(6.4)	(90.5)
Total excluded non-current assets:	**(260.5)**	(136.9)	(220.0)
Non-current assets relevant to the above geographical analysis	**13,369.6**	12,150.8	12,796.2

6. Revenue

Copper and molybdenum concentrate sale contracts and copper cathode sale contracts generally provide for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average London Metal Exchange copper price or monthly average molybdenum price for specified future periods. This normally ranges from one to four months after shipment to the customer. For sales contracts which contain provisional pricing mechanisms, the total receivable balance is measured at fair value through profit or loss. Gains and losses from the mark-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade receivables in the balance sheet. The Group determines mark-to-market prices using forward prices at each period-end for copper concentrate and cathode sales, and period-end month average prices for molybdenum concentrate sales due to the absence of a futures market in the market price references for that commodity in the majority of the Group's contracts.

With sales of concentrates, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate (which is the amount recorded as revenue) reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount reflects the invoiced price (which reflects the net of the market value of fully refined metal less the treatment and refining charges). However, under the standard industry definition of unit cash costs, treatment and refining charges are regarded as part of cash costs.

The shipping service represents a separate performance obligation, and is recognised separately from the sale of the material over time as the shipping service is provided.

The total revenue from contracts with customers and the impact of provisional pricing adjustments in respect of concentrate and cathode sales is as follows:

	Six months ended 30.06.2023	Six months ended 30.06.2022	Year ended 31.12.2022
	$m	$m	$m
Revenue from contracts with customers			
Sale of products	**2,747.5**	2,593.3	5,671.2
Provision of shipping services associated with the sale of products [1]	**47.8**	59.3	123.1
Transport division [2]	**98.5**	92.0	193.4
Provisional pricing adjustments in respect of copper, gold and molybdenum	**(3.7)**	(216.4)	(125.7)
Total revenue	**2,890.1**	2,528.2	5,862.0

[1]The Group sells a significant proportion of its products on Cost, Insurance & freight (CIF) incoterms, which means that the Group is responsible for shipping the product to a destination port specified by the customer.
[2]The transport division provides rail and road cargo transport together with a number of ancillary services.

The categories of revenue which are principally affected by different economic factors are the individual product types. A summary of revenue by product is set out in Note 5(b).

The following tables set out the impact of provisional pricing adjustments, and treatment and refining charges for the more significant products. The revenue from these products, which includes, for the sale of copper, revenue associated with the provision of shipping services, is reconciled to total revenue in Note 5(b).

For the period ended 30 June 2023

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally priced sales of products	**1,091.7**	**598.1**	**324.2**	**325.3**	**38.0**	**117.2**	**237.6**	**91.6**
Revenue from freight services	**23.0**	**18.3**	**3.2**	**3.3**	**-**	**-**	**-**	**-**
	1,114.7	**616.4**	**327.4**	**328.6**	**38.0**	**117.2**	**237.6**	**91.6**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(38.0)	(19.9)	(0.8)	(0.8)	-	(2.7)	(12.6)	(7.6)
Settlement of sales invoiced in the previous year	92.6	52.9	10.3	7.7	2.8	1.1	39.9	14.9
Total effect of adjustments to previous year invoices in the current year	**54.6**	**33.0**	**9.5**	**6.9**	**2.8**	**(1.6)**	**27.3**	**7.3**
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	(29.1)	(14.6)	(6.4)	(4.1)	0.7	0.7	(59.8)	(20.6)
Mark-to-market adjustments at the end of the current period	(10.1)	(5.5)	0.1	(0.9)	-	(0.8)	4.0	1.6
Total effect of adjustments to current period invoices	**(39.2)**	**(20.1)**	**(6.3)**	**(5.0)**	**0.7**	**(0.1)**	**(55.8)**	**(19.0)**
Total pricing adjustments	**15.4**	**12.9**	**3.2**	**1.9**	**3.5**	**(1.7)**	**(28.5)**	**(11.7)**
Revenue before deducting treatment & refining charges	**1,130.1**	**629.3**	**330.6**	**330.5**	**41.5**	**115.5**	**209.1**	**79.9**
Treatment and refining charges	**(52.6)**	**(35.2)**	**-**	**-**	**-**	**(0.3)**	**(11.5)**	**(5.3)**
Revenue net of tolling charges	**1,077.5**	**594.1**	**330.6**	**330.5**	**41.5**	**115.2**	**197.6**	**74.6**

For the period ended 30 June 2022

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally priced sales of products	**953.5**	**600.7**	**417.4**	**362.8**	**28.9**	**107.1**	**118.7**	**48.6**
Revenue from freight services	**21.9**	**31.3**	**3.2**	**2.9**	**-**	**-**	**-**	**-**
	975.4	**632.0**	**420.6**	**365.7**	**28.9**	**107.1**	**118.7**	**48.6**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(12.0)	(5.2)	(0.3)	(0.8)	-	(0.3)	5.6	0.7
Settlement of sales invoiced in the previous year	10.7	24.3	0.5	1.0	-	3.8	(4.1)	(0.6)
Total effect of adjustments to previous year invoices in the current period	**(1.3)**	**19.1**	**0.2**	**0.2**	**-**	**3.5**	**1.5**	**0.1**
Effects of pricing adjustments to current period invoices								
Settlement of sales invoiced in the current period	(35.4)	(14.5)	(6.3)	(7.6)	0.5	0.9	(4.6)	1.3
Mark-to-market adjustments at the end of the current period	(101.7)	(51.8)	(4.5)	(3.3)	-	(1.1)	(7.8)	(3.6)
Total effect of adjustments to current period invoices	**(137.1)**	**(66.3)**	**(10.8)**	**(10.9)**	**0.5**	**(0.2)**	**(12.4)**	**(2.3)**
Total pricing adjustments	**(138.4)**	**(47.2)**	**(10.6)**	**(10.7)**	**0.5**	**3.3**	**(10.9)**	**(2.2)**
Treatment and refining charges	**(28.2)**	**(28.8)**	**-**	**-**	**(0.1)**	**(0.3)**	**(7.7)**	**(4.5)**
Revenue	**808.8**	**556.0**	**410.0**	**355.0**	**29.3**	**110.1**	**100.1**	**41.9**

For the year ended 31 December 2022

	$m Los Pelambres Copper concentrate	$m Centinela Copper concentrate	$m Centinela Copper cathodes	$m Antucoya Copper cathodes	$m Los Pelambres Gold in concentrate	$m Centinela Gold in concentrate	$m Los Pelambres Molybdenum concentrate	$m Centinela Molybdenum concentrate
Provisionally priced sales of products	**2,313.7**	**1,231.8**	**851.8**	**710.6**	**75.1**	**235.9**	**281.3**	**98.5**
Revenue from freight services	**51.9**	**58.5**	**6.7**	**6.0**	**-**	**-**	**-**	**-**
	2,365.6	**1,290.3**	**858.5**	**716.6**	**75.1**	**235.9**	**281.3**	**98.5**
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(12.0)	(5.2)	(0.3)	(0.8)	-	(0.3)	5.6	0.7
Settlement of sales invoiced in the previous year	10.7	23.3	0.5	1.0	-	3.6	(4.1)	(0.6)
Total effect of adjustments to previous year invoices in the current year	**(1.3)**	**18.1**	**0.2**	**0.2**	**-**	**3.3**	**1.5**	**0.1**
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	(155.3)	(68.7)	(8.4)	(14.1)	0.4	(2.9)	16.5	4.0
Mark-to-market adjustments at the end of the current year	38.0	19.9	0.8	0.8	-	2.7	12.6	7.6
Total effect of adjustments to current year invoices	**(117.3)**	**(48.8)**	**(7.6)**	**(13.3)**	**0.4**	**(0.2)**	**29.1**	**11.6**
Total pricing adjustments	**(118.6)**	**(30.7)**	**(7.4)**	**(13.1)**	**0.4**	**3.1**	**30.6**	**11.7**
Revenue before deducting treatment & refining charges	**2,247.0**	**1,259.6**	**851.1**	**703.5**	**75.5**	**239.0**	**311.9**	**110.2**
Treatment and refining charges	**(87.4)**	**(68.4)**	**-**	**-**	**(0.1)**	**(0.6)**	**(20.5)**	**(9.4)**
Revenue net of tolling charges	**2,159.6**	**1,191.2**	**851.1**	**703.5**	**75.4**	**238.4**	**291.4**	**100.8**

(i) Copper concentrate

The typical period for which sales of copper concentrate remain open until settlement occurs is a range of approximately three to four months from shipment date.

		At 30.06.2023	At 30.06.2022	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**141,400**	114,400	179,000
Average mark-to-market price	$/lb	**3.77**	3.75	3.80
Average provisional invoice price	$/lb	**3.83**	4.36	3.65

(ii) Copper cathodes

The typical period for which sales of copper cathodes remain open until settlement occurs is approximately one month from shipment date.

		At 30.06.2023	At 30.06.2022	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**10,600**	11,400	22,700
Average mark-to-market price	$/lb	**3.78**	3.75	3.80
Average provisional invoice price	$/lb	**3.81**	4.06	3.77

(iii) Gold in concentrate

The typical period for which sales of gold in concentrate remain open until settlement is approximately one month from shipment date.

		At 30.06.2023	At 30.06.2022	At 31.12.2022
Sales provisionally priced at the balance sheet date	Ounces	**19,200**	22,600	31,000
Average mark-to-market price	$/oz	**1,924**	1,808	1,828
Average provisional invoice price	$/oz	**1,967**	1,859	1,742

(iv) Molybdenum concentrate

The typical period for which sales of molybdenum remain open until settlement is approximately two months from shipment date.

		At 30.06.2023	At 30.06.2022	At 31.12.2022
Sales provisionally priced at the balance sheet date	Tonnes	**2,900**	2,500	2,500
Average mark-to-market price	$/lb	**22.30**	17.30	26.10
Average provisional invoice price	$/lb	**21.40**	19.25	22.20

As detailed above, the effects of gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and to trade receivables in the balance sheet. The effect of mark-to-market adjustments on the balance sheet at the end of each period are as follows:

	Effect on debtors of year end mark-to-market adjustments		
	Six months Ended 30.06.2023 $m	Six months ended 30.06.2022 $m	Year ended 31.12.2022 $m
Los Pelambres - copper concentrate	**(10.1)**	(101.7)	38.0
Los Pelambres - molybdenum concentrate	**4.0**	(7.8)	12.6
Centinela - copper concentrate	**(5.5)**	(51.8)	19.9
Centinela - molybdenum concentrate	**1.6**	(3.6)	7.6
Centinela - gold in concentrate	**(0.8)**	(1.1)	2.7
Centinela - copper cathodes	**0.1**	(4.5)	0.8
Antucoya - copper cathodes	**(0.9)**	(3.3)	0.8
	(11.6)	(173.8)	82.4

The trade and other receivables balance at 30 June 2023 was $1,166.7 million compared with $2,087.2 million at 31 December 2022. The decrease was mainly due to the Tethyan disposal proceeds of $944.7 million recognised at 31 December 2022 which were received during the current period, as well as a decrease reflecting lower sales volumes towards the end of the current period compared with the end of 2022, as well as the impact of the negative mark-to-market adjustment of $11.6 million at 30 June 2023 compared with a positive mark-to-market adjustment of $82.4 million at 31 December 2022 as shown above.

7. Financial instruments and financial risk management

a) Categories of financial instruments

The carrying value of financial assets and financial liabilities is shown below:

	For the period ended 30.06.2023			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Equity investments	-	99.5	-	**99.5**
Trade and other receivables	356.0	-	459.4	**815.4**
Other financial assets	290.1	-	-	**290.1**
Cash and cash equivalents	1.1	-	302.2	**303.3**
Liquid investments	2,046.2	-	-	**2,046.2**
	2,693.4	**99.5**	**761.6**	**3,554.5**
Financial liabilities				
Trade and other payables	-	-	(957.7)	**(957.7)**
Borrowings and leases	-	-	(3,170.8)	**(3,170.8)**
	-	**-**	**(4,128.5)**	**(4,128.5)**

	For the period ended 30.06.2022			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Equity investments	-	6.4	-	**6.4**
Trade and other receivables	215.4	-	84.1	**299.5**
Cash and cash equivalents	-	-	872.6	**872.6**
Liquid investments	2,005.6	-	-	**2,005.6**
	2,221.0	**6.4**	**956.7**	**3,184.1**
Financial liabilities				
Trade and other payables	-	-	(848.2)	**(848.2)**
Borrowings and leases	-	-	(3,369.6)	**(3,369.6)**
	-	**-**	**(4,217.8)**	**(4,217.8)**

	For the year ended 31.12.2022			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
	$m	**$m**	**$m**	**$m**
Financial assets				
Equity investments	-	90.5	-	90.5
Trade and other receivables	897.2	-	1,047.5	1,944.7
Cash and cash equivalents	8.5	-	801.9	810.4
Liquid investments	1,580.8	-	-	1,580.8
	2,486.5	**90.5**	**1,849.4**	**4,426.4**
Financial liabilities				
Trade and other payables	-	-	(1,067.3)	(1,067.3)
Borrowings and leases	-	-	(3,277.0)	(3,277.0)
	-	**-**	**(4,344.3)**	**(4,344.3)**

The fair value of the fixed rate bonds included within the “Borrowings and leases” category was $906.9 million at 30 June 2023 compared with their carrying value of $986.1 million (six months ended 30 June 2022 - fair value of $877.8 million compared with their carrying value of $985.1 million; year ended 31 December 2022 - fair value of $899.4 million compared with their carrying value of $985.3 million). The fair value of all other financial assets and financial liabilities carried at amortised cost approximates the carrying value presented above.

The following tables reconcile between the total trade and other receivables and trade and other payables balances on the balance sheet with the financial instrument amounts included in this note:

	Six months ended 30.06.2023	**Six months ended 30.06.2022**	Year ended 31.12.2022
Financial assets			
Trade and other receivables (non-current) per balance sheet	61.2	56.2	51.0
Trade, other receivables, and other financial assets	1,166.7	366.5	2,087.2
Total trade and other receivables per balance sheet	1,227.9	422.7	2,138.2
Less: non-financial assets (including prepayments and VAT receivables)	(122.4)	(123.2)	(193.5)
Less: Other financial assets	(290.1)	-	-
Total loans and receivables (financial assets)	815.4	299.5	1,944.7
Financial liabilities			
Trade and other payables (current) per balance sheet	(973.0)	(835.1)	(1,079.7)
Trade and other payables (non-current) per balance sheet	(7.4)	(18.5)	(8.0)
Total trade and other payables per balance sheet	(980.4)	(853.6)	(1,087.7)
Less: non-financial liabilities (including VAT payables)	22.7	5.4	20.4
Total loans and payables (financial liabilities)	(957.7)	(848.2)	(1,067.3)

Fair value of financial instruments

An analysis of financial assets and financial liabilities measured at fair value is presented below:

				For the period ended 30.06.2023
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (a)	99.5	-	-	**99.5**
Trade and other receivables (b)	-	356.0	-	**356.0**
Other financial assets (c)	-	290.1	-	**290.1**
Cash and cash equivalents (d)	1.1	-	-	**1.1**
Liquid investments (e)	-	2,046.2	-	**2,046.2**
	100.6	2,692.3	-	**2,792.9**

				For the period ended 30.06.2022
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (a)	6.4	-	-	6.4
Trade and other receivables (b)	-	215.4	-	215.4
Liquid investments (e)	-	2,005.6	-	2,005.6
	6.4	2,221.0	-	2,227.4

				For the period ended 31.12.2022
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (a)	90.5	-	-	90.5
Trade and other receivables (b)	-	897.2	-	897.2
Cash and cash equivalents (d)	8.5	-	-	8.5
Liquid investments (e)	-	1,580.8	-	1,580.8
	99.0	2,478.0	-	2,577.0

Recurring fair value measurements are those that are required in the balance sheet at the end of each reporting year.

a) Equity investments are investments in shares on active markets and are valued using unadjusted quoted market values of the shares at the financial reporting date. These are level 1 inputs as described below.

b) Provisionally priced metal sales for the period are marked-to-market at the end of the period. Gains and losses from the marking-to-market of open sales are recognised through adjustments to revenue in the income statement and trade receivables in the balance sheet. Forward prices at the end of the period are used for copper sales while period-end average prices are used for molybdenum concentrate sales. These are level 2 inputs as described below.

c) The fair value of the other financial assets has been calculated using observable market data. These are level 2 inputs.

d) The element of cash and cash equivalents measured at fair value relates to money market funds, which are valued reflecting market prices at the period end. These are level 1 inputs as described below.

e) Liquid investments are highly liquid current asset investments that are valued reflecting market prices at the period end. These are level 2 inputs as described below.

The inputs to the valuation techniques described above are categorised into three levels, giving the highest priority to unadjusted quoted prices in active markets (level 1) and the lowest priority to unobservable inputs (level 3 inputs):

- Level 1 fair value measurement inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurement inputs are derived from inputs other than quoted market prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurement inputs are unobservable inputs for the asset or liability.

The degree to which inputs into the valuation techniques used to measure the financial assets and liabilities are observable and the significance of these inputs in the valuation are considered in determining whether any transfers between levels have occurred. In the six months ended 30 June 2023, there were no transfers between levels in the hierarchy.

b) Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce exposure to foreign exchange, interest rate and commodity price movements. The Group does not use such derivative instruments for trading purposes. The Group has applied the hedge accounting provisions of IFRS 9 Financial Instruments. The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as hedges of future cash flows have been recognised directly in equity, with such amounts subsequently recognised in profit or loss in the period when the hedged item affects profit or loss. Any ineffective portion is recognised immediately in profit or loss. Realised gains and losses on commodity derivatives recognised in profit or loss are recorded within revenue. The time value element of changes in the fair value of derivative options is recognised within other comprehensive income. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value. Changes in fair value are reported in profit or loss for the year. No derivative instruments have been in place during 2022 or 2023.

8. Net finance expense

	Six months ended 30.06.2023 $m	Six months ended 30.06.2022 $m	Year ended 31.12.2022 $m
Investment income			
Interest receivable	**28.8**	5.1	19.8
Gains on liquid investments held at fair value through profit or loss	**43.3**	(0.8)	20.4
	72.1	4.3	40.2
Interest expense			
Interest expense	**(50.9)**	(34.8)	(78.6)
	(50.9)	(34.8)	(78.6)
Other finance items			
Unwinding of discount on provisions	**(7.9)**	(6.8)	(16.9)
Effects of changes in foreign exchange rates	**(22.0)**	26.6	(12.8)
Preference dividends	**(0.1)**	(0.1)	(0.1)
	(30.0)	19.7	(29.8)
Net finance expense	**(8.8)**	(10.8)	(68.2)

In the six months ended 30 June 2023, amounts capitalised and consequently not included within the above table were as follows: $46.6 million at Los Pelambres (six months ended 30 June 2022 - $14.5 million; year ended 31 December 2022 - $47.0 million) and $1.7 million at Centinela (six months ended 30 June 2022 - $0.4 million; year ended 31 December 2022 - $2.0 million).

The interest expense shown above includes $4.1 million in respect of leases (six months ended 30 June 2022 - $3.1 million; year ended 31 December 2022 - $7.1 million).

9. Taxation

The tax charge for the period comprised the following:

	Six months ended 30.06.2023 $m	Six months ended 30.06.2022 $m	Year ended 31.12.2022 $m
Current tax charge			
Corporate tax (principally first category tax in Chile)	**(232.9)**	(213.0)	(340.4)
Mining tax (royalty)	**(49.0)**	(41.9)	(83.9)
Withholding tax	**(2.2)**	(21.2)	(24.5)
Exchange rate	**(0.2)**	-	-
	(284.3)	(276.1)	(448.8)
Deferred tax			
Corporate tax (principally first category tax in Chile)	**33.2**	36.9	(96.5)
Mining tax (royalty)	**(0.1)**	2.1	(9.8)
Withholding tax	**21.9**	(10.8)	(48.5)
	55.0	28.2	(154.8)
Total tax charge	**(229.3)**	(247.9)	(603.6)

The rate of first category (i.e. corporate) tax in Chile is 27.0% (2022 – 27.0%).

In addition to first category tax and the mining tax, the Group incurs withholding taxes on any remittance of profits from Chile. Withholding tax is levied on remittances of profits from Chile at 35% less first category (i.e. corporation) tax already paid in respect of the profits to which the remittances relate.

The Group's mining operations are also subject to a mining tax (royalty). Production from Los Pelambres, Antucoya, Encuentro (oxides), the Tesoro North East pit and the Run-of-Mine processing at Centinela Cathodes is subject to a rate of between 5–14%, depending on the level of operating profit margin, and production from Centinela Concentrates and the Tesoro Central and Mirador pits at Centinela Cathodes is subject to a rate of 5% of taxable operating profit.

New mining royalty

In May 2023, both the Chilean Senate and lower house of Congress approved the proposed revision to Chile's mining royalty bill, with final Presidential approval confirmed in August 2023. This new law is scheduled to take effect from 1 January 2024, replacing the existing specific mining tax. However, companies with tax stability agreements will continue to be governed by their current terms until those agreements expire. The new regime will apply to Los Pelambres' and Zaldivar's royalty payments from the start of 2024. Centinela and Antucoya have tax stability agreements which extend beyond that point, and so the new royalty rates will only impact their royalty payments from 2030 onwards for both companies.

The new royalty terms include a 1% ad valorem royalty on copper sales, as well as a royalty ranging from 8% to 26% applied to the "Mining Operating Margin", depending on each mining operation's level of profitability. The new royalty terms include a cap, establishing that total taxation, which includes corporate income tax, the two components of the new mining royalty, and theoretical tax on dividends, should not exceed a rate of 46.5% (relative to the Mining Operating Margin less the royalty ad-valorem expense).

The impact on the Group's royalty payments starting in 2024 will be subject to various factors, including future revenue and earnings, which will be influenced by parameters such as copper prices, production volumes, and operating costs. A one-off adjustment will also be recognized to the deferred tax balances of all of the Group's mining operations, recognised in the 2023 year-end balance sheet and the results for the second half of 2023. Currently, it is estimated that this could increase the Group's deferred tax liabilities by approximately $40 million as of 31 December 2023, with a corresponding impact on the Group's deferred tax expense for 2023. The Chilean tax authority has not yet issued definitive interpretations regarding the methodologies for determining and calculating the new royalty amounts, and the level of future royalty payments and the adjustment to the deferred tax liabilities at 31 December 2023 could be impacted by such guidance.

The following table provides a numerical reconciliation between the accounting profit before tax multiplied by the applicable statutory tax rate and the total tax expense (including both current and deferred tax).

	Six months ended 30.06.2023		Six months ended 30.06.2022		Year ended 31-12-2022 excluding exceptional items		Year ended 31-12-2022 Including exceptional items	
	$m	**%**	**$m**	**%**	**$m**	**%**	**$m**	**%**
Profit before tax	**764.5**		**679.6**		1,614.2		2,558.9	
Tax at the Chilean corporate tax rate of 27%	**(206.4)**	**27.0**	**(183.5)**	**27.0**	(435.9)	27.0	(691.0)	27.0
Mining Tax (royalty)	**(47.1)**	**6.2**	**(41.0)**	**6.0**	(94.5)	5.8	(94.5)	3.7
Deduction of mining royalty as an allowable expense in determination of first category tax	**13.2**	**(1.7)**	**11.7**	**(1.7)**	23.1	(1.4)	23.1	(0.9)
Withholding tax (including substitute tax at 30% rate)	**19.7**	**(2.6)**	**(32.0)**	**4.7**	(33.9)	2.1	(33.9)	1.3
Items not deductible from first category tax	**(6.9)**	**0.9**	**(13.7)**	**2.0**	(2.6)	0.1	(2.6)	0.1
Adjustment in respect of prior years	**(0.9)**	**0.1**	**(2.5)**	**0.4**	(73.0)	4.6	(73.0)	2.9
Tax effect of share of profit of associates and joint ventures	**(0.1)**	**-**	**13.0**	**(1.9)**	13.0	(0.8)	13.0	(0.5)
Impact of unrecognised tax losses on current tax	**(0.8)**	**0.1**	**0.1**	**-**	0.2	-	0.2	-
Gain on disposal of investment in joint venture	**-**	**-**	**-**	**-**	-	-	255.1	(10.0)
Tax expense and effective tax rate for the period	**(229.3)**	**30.0**	**(247.9)**	**36.5**	(603.6)	37.4	(603.6)	23.6

The effective tax rate for the period was 30.0%, partly reflecting a one-off adjustment to the provision for deferred withholding tax, which compares with 36.5% in 2022. The complete reconciliation between the effective tax rate and the statutory tax rate reflects the following points:

The effective tax rate of 30.0% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $33.9 million / 4.5% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $6.9 million / 0.9%) and adjustments in respect of prior years (impact of $0.9 million / 0.1%), the impact of unrecognised tax losses (impact of $0.8 million / 0.1%), the recognition of the Group's share of profit from associates and joint ventures, which are included in the Group's profit before tax net of their respective tax charges (impact of $0.1 million / nil), partly offset by the impact of the withholding tax relating to the remittance of profits from Chile (impact of $19.7 million / 2.6%).

The main factors which could impact the sustainability of the Group's existing effective tax rate are:

- The impact of the new Chilean mining royalty which is expected to be effective from 1 January 2024, as described above.

- The level of future distributions made by the Group's Chilean subsidiaries out of Chile, which could result in increased withholding tax charges. When determining whether it is likely that distributions will be made in the foreseeable future, and what is the appropriate foreseeable future period for this purpose, the Group considers factors such as the predictability of the likely future Group dividends, taking into account the Group's dividend policy and the level of potential volatility of the Group's future earnings, as well as the current level of distributable reserves at the Antofagasta plc entity level. As noted above, the withholding tax credit in the current period reflected a one-off adjustment to the provision for deferred withholding tax.

- The impact of expenses which are not deductible for Chilean first category tax. Some of these expenses are fixed costs, and so the relative impact of these expenses on the Group's effective tax rate will vary depending on the Group's total profit before tax in a particular year.

The Group is within the scope of the OECD Pillar two model rules. Pillar two legislation was recently substantively enacted in the UK and will come into effect from 1 January 2024. At 30 June 2023, none of the Pillar two legislation is effective and so the Group has no related current tax impact. Related amendments to IAS 12 clarify that Pillar two related balances are not within the scope of IAS12 for deferred tax purposes and provide an exception on this basis, and accordingly no deferred tax impact will be recognised as a result of the implementation of the Pillar two model rules. The group has commenced their Pillar two impact analysis but is, as yet, not in a position to provide quantified analysis of the potential future impact.

10. Earnings per share

	Six months ended 30.06.2023 $m	Six months ended 30.06.2022 $m	Year ended 31.12.2022 $m
Profit for the period attributable to owners of the parent (exc. exceptional items)	**330.4**	260.3	588.3
Exceptional Items	**-**	-	944.7
Profit for the period attributable to owners of the parent (inc. exceptional items) from operations	**330.4**	260.3	1,533.0

	Number	Number	Number
Ordinary shares in issue throughout each period	**985,856,695**	985,856,695	985,856,695

	Six months ended 30.06.2023 US cent	Six months ended 30.06.2022 US cent	Year ended 31.12.2022 US cent
Basic earnings per share (exc. exceptional items) from operations	**33.5**	26.4	59.7
Basic earnings per share (exceptional items) from operations	**-**	-	95.8
Basic earnings per share (inc. exceptional items) from operations	**33.5**	26.4	155.5

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2022: 985,856,695) ordinary shares.

There was no potential dilution of earnings per share in either year set out above, and therefore diluted earnings per share did not differ from basic earnings per share as disclosed above.

11. Dividends

The Board has declared an interim dividend of 11.7 cents per ordinary share for the 2023 half year (2022 half year – 9.2 cents per ordinary share). Dividends are declared and paid gross. Dividends actually paid in the period and recognised as a deduction from net equity under IFRS were 50.5 cents per ordinary share (2022 half year – 118.9 cents per ordinary share), representing the final dividend declared in respect of the previous year.

The interim dividend will be paid on 29 September 2023 to ordinary shareholders that are on the register at the close of business on 1 September 2023. Shareholders can elect (on or before 4 September 2023) to receive this interim dividend in US Dollars, Pounds Sterling or Euro, and the exchange rate to be applied to interim dividends to be paid in Pounds Sterling or Euro will be set as soon as reasonably practicable after that date (which is currently anticipated to be on 7 September 2023).

Further details of the currency election timing and process (including the default currency of payment) are available on the Antofagasta plc website (www.antofagasta.co.uk) or from the Company's registrar, Computershare Investor Services PLC on +44 370 702 0159.

12. Intangible assets

The intangible asset relates to Twin Metals' mining licences assets (included within the corporate segment). A full impairment provision was recognised in respect of the $150.1 million cost of this asset as at 31 December 2021, as a result of the US federal government's cancellation of certain of Twin Metals' mining leases. Twin Metals believes it has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group is pursuing validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, a full impairment provision has been recognised in respect of the carrying value of the asset.

	Cost $m	**Impairment $m**	**Net book value $m**
At 1 January 2022, 31 December 2022 and 30 June 2023	**150.1**	**(150.1)**	**-**

13. Property, plant and equipment

	Mining	Railway and other transport	At 30.06.2023	At 30.06.2022	At 31.12.2022
	$m	$m	$m	$m	$m
Balance at the beginning of the year	11,247.8	295.7	**11,543.5**	10,538.5	10,538.5
Additions	998.0	26.3	**1,024.3**	916.4	2,002.0
Additions – depreciation capitalised	33.8	-	**33.8**	34.3	73.3
Reclassifications	-	-	**-**	(5.3)	-
Capitalisation of interest	48.3	-	**48.3**	14.9	49.0
Adjustment to capitalised decommissioning provisions	-	-	**-**	4.6	173.8
Depreciation expensed in the year	(498.3)	(13.0)	**(511.3)**	(489.0)	(1,141.1)
Depreciation capitalised in PP&E	(33.8)	-	**(33.8)**	(34.3)	(73.3)
Depreciation capitalised in inventories	(45.7)	-	**(45.7)**	(56.0)	(71.1)
Asset disposals	-	-	**-**	(0.1)	(7.6)
Balance at the end of the year	11,750.1	309.0	**12,059.1**	10,924.0	11,543.5

During the six months ended 30 June 2023, the net effect of depreciation capitalised within Property, plant and equipment or inventories in respect of assets relating to Los Pelambres, Centinela and Antucoya is $79.5 million (six months ended 30 June 2022 -$90.3 million; year ended 31 December 2022 – $144.4 million), and has accordingly been excluded from the depreciation charge recorded in the income statement as shown in Note 5.

At 30 June 2023, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $1,059.2 million (30 June 2022 - $915.0 million; 31 December 2022 - $845.1 million).

Depreciation capitalised in property, plant and equipment of $33.8 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (six months ended 30 June 2022 – $34.3 million; year ended 31 December 2022 – $73.3 million).

14. Disposal of investment in Tethyan joint venture

On 15 December 2022, Antofagasta entered into definitive agreements to exit its 50% interest in the Tethyan joint venture, which was a joint venture with Barrick Gold Corporation (“Barrick”) in respect of the Reko Diq project in Pakistan. Antofagasta recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. The joint venture project was held via the Australian entity Atacama Copper Pty Limited (“Atacama”). The disposal proceeds, which together with accrued interest up to 15 December 2022 totalled US$946.0 million, were held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick agreed that the proceeds of this account, including all further interest received, less working capital and other adjustments, would be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama was seeking a binding private ruling from the Australian Tax Office to confirm that the disposal proceeds and their distribution to the Antofagasta Group would not be subject to Australian tax. In May 2023, Atacama received the binding private ruling confirming these points. Antofagasta then requested that the disposal proceeds including interest be distributed to the Antofagasta Group, resulting in a total distribution of $956.3 million by Atacama to the Antofagasta Group in May 2023.

15. Investment in associates and joint ventures

	ATI[1]	Minera Zaldívar[2]	At 30.06.2023	At 30.06.2022	At 31.12.2022
	$m	**$m**	**$m**	$m	$m
Balance at the beginning of the year	7.3	897.3	**904.6**	905.8	905.8
Obligations on behalf of JV and associates at the beginning of the year	-	-	-	(0.6)	(0.6)
Share of profit/(loss) before tax	1.6	(1.6)	-	72.5	70.6
Share of tax	(0.3)	(0.1)	**(0.4)**	(23.4)	(22.5)
Share of other comprehensive loss of associates and joint ventures, net of tax	(0.1)	(0.8)	**(0.9)**	-	-
Share of profit/(loss) from JV and associates	1.2	(2.5)	**(1.3)**	49.1	48.1
Dividends received	-	-	-	(50.0)	(50.0)
Disposal of investment in JV	-	-	-	-	1.3
Balance at the end of the period	8.5	894.8	**903.3**	905.2	904.6
Obligations on behalf of JV at the end of the period	-	-	-	(0.9)	-

The investments which are included in the $903.3 million balance at 30 June 2023 are set out below:

Investment in associates

1. The Group's 30% interest in Antofagasta Terminal Internacional ("ATI"), which operates a concession to manage installations in the port of Antofagasta.

Investment in joint ventures

2. The Group's 50% interest in Minera Zaldívar SpA ("Zaldívar").

As the net carrying value of the interest in Tethyan was negative, it was included within non-current liabilities, as the Group was liable for its share of the joint venture's obligations.

Summarised financial information for the associates at June 2023 is as follows:

	Total 30.06.2023	Total 30.06.2022	Total 31.12.2022
	$m	$m	$m
Cash and cash equivalents	**3.7**	0.6	0.4
Current assets[1]	**15.1**	12.8	18.2
Non-current assets	**88.6**	95.9	91.8
Current liabilities	**(15.5)**	(13.8)	(19.3)
Non-current liabilities	**(66.3)**	(76.0)	(69.5)
Revenue	**33.5**	26.2	55.2
Profit from continuing operations	**4.2**	2.8	5.1
Total comprehensive income	**4.2**	2.8	5.1

[1] The current assets includes cash and cash equivalents.

Summarised financial information for the joint ventures at June 2023 is as follows:

	Total 30.06.2023	**Total 30.06.2022**	Total 31.12.2022
	$m	**$m**	$m
Cash and cash equivalents	**44.6**	82.9	70.1
Current assets[1]	**652.8**	672.2	661.8
Non-current assets	**1,640.2**	1,637.6	1,658.6
Current financial liabilities (excl. trade, other payables and provisions)	**(58.2)**	(52.6)	(53.2)
Current liabilities	**(141.3)**	(154.4)	(159.3)
Non-current financial liabilities (excl. trade, other payables and provisions)	**(31.8)**	(99.6)	(68.3)
Non-current liabilities	**(79.4)**	(173.8)	(203.3)
Revenue	**360.3**	436.4	783.4
Depreciation and amortisation.	**(78.8)**	(70.2)	(149.2)
Interest income	**1.1**	0.2	1.5
Interest expense	**(5.6)**	(0.2)	(0.8)
Income tax expense or income	**(0.3)**	(43.8)	(43.9)
(Loss)/profit after tax	**(3.3)**	97.0	94.6
Total comprehensive (expense)/income	**(3.3)**	97.0	94.6

[1] The current assets includes cash and cash equivalents.

The above summarised financial information is based on the amounts included in the IFRS financial statements of the associate or joint venture (100% of the results or balances of the associate or joint venture, rather than the Group's proportionate share), after the Group's fair value adjustments and applying the Group's accounting policies.

16. Borrowings and other financial liabilities

	At 30.06.2023 $m	At 30.06.2022 $m	At 31.12.2022 $m
Los Pelambres			
Senior loan	**(1,447.9)**	(1,493.1)	(1,470.5)
Leases	**(55.7)**	(40.6)	(55.3)
Centinela			
Senior loan	**(221.5)**	(331.8)	(276.7)
Leases	**(31.0)**	(42.5)	(35.2)
Antucoya			
Senior loan	**(198.8)**	(248.2)	(223.5)
Subordinated debt	**(179.1)**	(165.9)	(171.5)
Leases	**(14.5)**	(19.5)	(16.5)
Corporate and other items			
Bonds	**(986.1)**	(985.1)	(985.3)
Leases	**(22.6)**	(18.2)	(23.1)
Railway and other transport services			
Senior loan	**(10.0)**	(20.5)	(15.3)
Leases	**(1.1)**	(1.9)	(1.6)
Preference shares	**(2.5)**	(2.3)	(2.5)
Total	**(3,170.8)**	(3,369.6)	(3,277.0)

At 30 June 2023, $1,120.0 million (30 June 2022 - $1,122.2 million; December 2022 - $1,129.0 million) of the borrowings has fixed rate interest and $2,050.8 million (30 June 2022 - $2,247.4 million; December 2022 - $2,148.0 million) has floating rate interest.

On 30 December 2022, Antofagasta plc agreed a revolving credit facility "RCF" of US$500 million with a group of six banks and where the Canadian Imperial Bank of Commerce "CIBC" has the role of Administrative Agent. This revolving credit facility has a term of three years, which expires on December 30, 2025.

The facility remained undrawn throughout the period 2023.

	Facility available		**Drawn**		**Undrawn**	
	30 June 2023 $m	31 December 2022 $m	**30 June 2023 $m**	31 December 2022 $m	**30 June 2023 $m**	31 December 2022 $m
Revolving credit facility	500.0	500.0	-	-	500.0	500.0

17. Reconciliation of profit before tax to net cash inflow from operating activities

	At 30.06.2023 $m	At 30.06.2022 $m	At 31.12.2022 $m
Profit before tax	**764.5**	679.6	2,558.9
Depreciation and amortisation	**511.3**	489.0	1,141.1
Net loss on disposals	**-**	-	2.1
Net finance expense	**8.8**	10.8	68.2
Share of loss/(profit) of associates and joint ventures	**0.4**	(49.1)	(48.1)
Gain on disposal of investment in joint venture	-	-	(944.7)
Increase in inventories	**(115.2)**	(161.0)	(180.7)
Decrease in debtors	**256.8**	788.8	27.0
(Decrease) /increase in creditors	**(153.8)**	(58.1)	141.0
Increase /(decrease) in provisions	**23.6**	(17.5)	(26.5)
Cash flow generated from operations	**1,296.4**	1,682.5	2,738.3

18. Analysis of changes in net debt

	At 31.12.2022 $m	Cash flows $m	New leases $m	Fair value gain $m	Amortisation of finance costs $m	Capitalisation of interest $m	Other $m	Reclassification $m	Exchange $m	**At 30.06.2023 $m**
Cash and cash equivalents	810.4	(514.2)	-	-	-	-	-	-	7.1	**303.3**
Liquid investments	1,580.8	449.6	-	15.8	-	-	-	-	-	**2,046.2**
Total cash and cash equivalents and liquid investments	2,391.2	(64.6)	-	15.8	-	-	-	-	7.1	**2,349.5**
Borrowings due within one year	(377.4)	110.8	-	-	-	-	-	(271.3)	-	**(537.9)**
Borrowings due after one year	(2,765.4)	-	-	-	(3.9)	(7.6)	-	271.3	-	**(2,505.6)**
Leases due within one year	(55.1)	35.1	-	-	-	-	-	(35.1)	(3.0)	**(58.1)**
Leases due after one year	(76.6)	-	(18.6)	-	-	-	(0.5)	35.1	(6.1)	**(66.7)**
Preference shares	(2.5)	-	-	-	-	-	-	-	-	**(2.5)**
Total borrowings	(3,277.0)	145.9	(18.6)	-	(3.9)	(7.6)	(0.5)	-	(9.1)	**(3,170.8)**
Net (debt)/cash	(885.8)	81.3	(18.6)	15.8	(3.9)	(7.6)	(0.5)	-	(2.0)	**(821.3)**

Net (debt)/ cash

Net (debt)/cash at the end of each period was as follows:

	At 30.06.2023 $m	At 30.06.2022 $m	At 31.12.2022 $m
Cash, cash equivalents and liquid investments	**2,349.5**	2,878.2	2,391.2
Total borrowings and other financial liabilities	**(3,170.8)**	(3,369.6)	(3,277.0)
Net (debt)/cash	**(821.3)**	(491.4)	(885.8)

19. Related party transactions

a) Joint ventures

The Group has a 50% interest in Minera Zaldívar, which is a joint venture with Barrick Gold Corporation. During the six months ended 30 June 2023, the Group has not received dividends from Minera Zaldívar (six months ended 30 June 2022 - $50.0 million; year ended 31 December 2022 - $50.0 million).

b) Other related parties

The ultimate parent company of the Group is Metalinvest Establishment, which is controlled by the E. Abaroa Foundation, in which members of the Luksic family are interested. The Company's subsidiaries, in the ordinary course of business, enter into various sale and purchase transactions with companies also controlled by members of the Luksic family, including Banco de Chile S.A., BanChile Corredores de Bolsa S.A., ENEX S.A. and Compañía de Inversiones Adriático S.A. These transactions were all on normal commercial terms.

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. The Group is responsible for any exploration costs relating to the properties held by these entities. During the six months ended 30 June 2023, the Group incurred $0.1 million (30 June 2022 - $0.1 million) of exploration costs at these properties.

20. Litigation and contingent liabilities

The Group is subject from time to time to legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. The Group cannot predict the outcome of individual legal actions or claims or complaints or investigations. As a result, the Group may become subject to liabilities that could affect the Group's business, financial position and reputation. Litigation is inherently unpredictable and large judgments may at times occur. The Group may incur, in the future, judgments or enter into settlements of claims that could lead to material cash outflows. The Group considers that no material loss to the Group is expected to result from the legal proceedings, claims, complaints and investigations that the Group is currently subject to. Provision is made for all liabilities that are expected to materialise through legal claims against the Group.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*;

b) the half yearly financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the half yearly financial report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

c) the half yearly financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Jean-Paul Luksic
Chairman

Tony Jensen
Chair of Audit & Risk Committee

Independent review report to Antofagasta plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Antofagasta plc's condensed consolidated interim financial statements (the "interim financial statements") in the half yearly financial report of Antofagasta plc for the six month period ended 30 June 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2023;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half yearly financial report of Antofagasta plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half yearly financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the half yearly financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the half yearly financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
9 August 2023

Alternative performance measures (not subject to audit or review)

This consolidated financial information includes a number of alternative performance measures, in addition to amounts in accordance with UK-adopted International Accounting Standards. These measures are included because they are considered to provide relevant and useful additional information to users of the accounts. Set out below are definitions of these alternative performance measures, explanations as to why they are considered to be relevant and useful, and reconciliations to the IFRS figures.

a) Underlying earnings per share

Underlying earnings per share is earnings per share from continuing operations, excluding exceptional items. This measure is reconciled to earnings per share from continuing and discontinued operations (including exceptional items) on the face of the income statement. This measure is considered to be useful as it provides an indication of the earnings generated by the ongoing businesses of the Group, excluding the impact of exceptional items which are irregular or non-operating in nature.

b) EBITDA

EBITDA refers to Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposals and impairment charges to operating profit. This comprises 100% of the EBITDA from the Group´s subsidiaries, and the Group´s proportional share of the EBITDA of its associates and joint ventures.

EBITDA is considered to provide a useful and comparable indication of the current operational earnings performance of the business, excluding the impact of the historical cost of property, plant & equipment or the particular financing structure adopted by the business.

For the six months ended 30 June 2023

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	632.4	188.7	51.6	-	(62.0)	(59.6)	**751.1**	**22.6**	**773.7**
Depreciation and amortisation	137.5	300.6	52.3	-	-	7.9	**498.3**	**13.0**	**511.3**
EBITDA from subsidiaries	**769.9**	**489.3**	**103.9**	**-**	**(62.0)**	(51.7)	**1,249.4**	**35.6**	**1,285.0**
Proportional share of the EBITDA from associates and JVs	-	-	-	42.5	-	-	**42.5**	**3.5**	**46.0**
EBITDA	**769.9**	**489.3**	**103.9**	**42.5**	**(62.0)**	(51.7)	**1,291.9**	**39.1**	**1,331.0**

For the six months ended 30 June 2022

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	401.4	219.6	103.1	-	(51.4)	(51.2)	**621.5**	**19.8**	**641.3**
Depreciation and amortisation	109.2	307.3	50.3	-	-	7.6	**474.4**	**14.6**	**489.0**
EBITDA from subsidiaries	**510.6**	**526.9**	**153.4**	**-**	**(51.4)**	**(43.6)**	1,095.9	**34.4**	1,130.3
Proportional share of the EBITDA from associates and JVs	-	-	-	104.8	-	(0.4)	**104.4**	**3.0**	**107.4**
Total EBITDA	**510.6**	**526.9**	**153.4**	**104.8**	**(51.4)**	**(44.0)**	1,200.3	**37.4**	1,237.7

For the year ended 31 December 2022

	Los Pelambres	Centinela	Antucoya	Zaldívar	Exploration and evaluation	Corporate and other items	**Mining**	**Railway and other transport services**	**Total**
	$m	$m	$m	$m	$m	$m	**$m**	**$m**	**$m**
Operating profit/(loss)	1,196.2	446.0	155.6	-	(113.0)	(94.3)	**1,590.5**	**43.8**	**1,634.3**
Depreciation and amortisation	276.1	710.2	105.6	-	-	18.7	**1,110.6**	**30.5**	**1,141.1**
Loss on disposals	0.5	1.0	-	-	-	0.6	**2.1**	-	**2.1**
EBITDA from subsidiaries	**1,472.8**	**1,157.2**	**261.2**	**-**	**(113.0)**	(75.0)	**2,703.2**	**74.3**	**2,777.5**
Proportional share of the EBITDA from associates and JVs	-	-	-	147.2	-	(0.7)	**146.5**	**5.7**	**152.2**
Total EBITDA	**1,472.8**	**1,157.2**	**261.2**	**147.2**	**(113.0)**	(75.7)	**2,849.7**	**80.0**	**2,929.7**

c) Cash costs

Cash costs are a measure of the cost of operational production expressed in terms of cents per pound of payable copper produced.

This is considered to be a useful and relevant measure as it is a standard industry measure applied by most major copper mining companies which reflects the direct costs involved in producing each pound of copper. It therefore allows a straightforward comparison of the unit production cost of different mines, and allows an assessment of the position of a mine on the industry cost curve. It also provides a simple indication of the profitability of a mine when compared against the price of copper (per lb).

With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount reflects the invoiced price (which reflects the net of the market value of fully refined metal less the treatment and refining charges). Under the standard industry definition of cash costs, treatment and refining charges are regarded as part of the total cash cost figure.

	At 30.06.2023	At 30.06.2022	At 31.12.2022
Reconciliation of cash costs excluding treatment & refining charges and by-product revenue:			
Total Group operating costs (Note 5) ($m)	**2,116.4**	1,886.9	4,227.7
Zaldívar operating costs (attributable basis - 50%)	**129.0**	106.2	234.4
Less:			
Depreciation and amortisation (Note 5) ($m)	**(511.3)**	(489.0)	(1,141.1)
Loss on disposal (Note 5) ($m)	**-**	-	(2.1)
Corporate and other items – Total operating cost (excluding depreciation) (Note 5) ($m)	**(51.7)**	(43.5)	(75.0)
Exploration and evaluation – Total operating cost (excluding depreciation) (Note 5) ($m)	**(62.0)**	(51.4)	(113.0)
Transport division – Total operating cost (excluding depreciation) (Note 5) ($m)	**(62.9)**	(57.6)	(119.1)
Other costs not included within cash costs ($m)	**(62.1)**	(43.5)	(97.6)
Inventories Variation	**21.9**	31.3	(12.0)
Total cost relevant to the mining operations' cash costs ($m)	**1,517.3**	1,339.4	2,902.2
Copper production volumes (tonnes)	**295,500**	268,630	646,200
Cash costs excluding treatment & refining charges and by-product revenue ($/tonne)	**5,135**	4,986	4,491
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.32**	2.25	2.05

	At 30.06.2023	At 30.06.2022	At 31.12.2022
Reconciliation of cash costs before deducting by-products revenue:			
Treatment & refining charges - copper and by-products- Los Pelambres (Note 5)	**64.3**	36.2	108.5
Treatment & refining charges - copper and by-products- Centinela (Note 5)	**40.8**	33.8	78.8
Treatment & refining charges - copper – total	**105.1**	70.0	187.3
Copper production volumes (tonnes)	**295,500**	268,630	646,200
Treatment & refining charges ($/tonne)	**355.8**	260.3	289.9
Treatment & refining charges ($/lb)	**0.16**	0.12	0.14
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.32**	2.25	2.05
Treatment & refining charges ($/lb)	**0.16**	0.12	0.14
Cash costs before deducting by-product revenue (S/lb)	**2.48**	2.37	2.19

[1]The 295,500 tonnes includes 19,800 tonnes of production at Zaldívar on a 50% attributable basis.

c) Cash costs (continued)

	At 30.06.2023	At 30.06.2022	At 31.12.2022
Reconciliation of cash costs (net of by-product revenue):			
Gold revenue - Los Pelambres (Note 6) ($m)	**41.5**	29.4	75.5
Gold revenue - Centinela (Note 6) ($m)	**115.5**	110.3	239.0
Molybdenum revenue - Los Pelambres (Note 6) ($m)	**209.1**	107.8	311.9
Molybdenum revenue - Centinela (Note 6) ($m)	**79.9**	46.5	110.2
Silver revenue - Los Pelambres (Note 5) ($m)	**15.9**	12.9	33.1
Silver revenue - Centinela (Note 5) ($m)	**14.5**	12.6	25.1
Total by-product revenue ($m)	**476.4**	319.5	794.8
Copper production volumes (tonnes)	**295,500**	268,630	646,200
By-product revenue ($/tonne)	**1,612.2**	1,189.4	1,230.0
By-product revenue ($/lb)	**0.73**	0.55	0.58
Cash costs before deducting by-product revenue (S/lb)	**2.48**	2.37	2.19
By-product revenue ($/lb)	**(0.73)**	(0.55)	(0.58)
Cash costs (net of by-product revenue) ($/lb)	**1.75**	1.82	1.61

[1]The 295,500 tonnes includes 19,800 tonnes of production at Zaldívar on a 50% attributable basis.

The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

d) Attributable cash, cash equivalents & liquid investments, borrowings and net debt

Attributable cash, cash equivalents & liquid investments, borrowings and net debt reflects the proportion of those balances which are attributable to the equity holders of the Company, after deducting the proportion attributable to the non-controlling interests in the Group's subsidiaries.

This is considered to be a useful and relevant measure as the majority of the Group's cash tends to be held at the corporate level and therefore 100% attributable to the equity holders of the Company, whereas the majority of the Group's borrowings tend to be at the level of the individual operations, and hence only a proportion is attributable to the equity holders of the Company.

	June 2023			**June 2022**		
	Total amount $m	**Attributable share**	**Attributable amount $m**	Total amount $m	Attributable share	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**705.0**	**60%**	**423.0**	784.3	60%	470.6
Centinela	**190.4**	**70%**	**133.3**	447.8	70%	313.5
Antucoya	**129.8**	**70%**	**90.9**	173.4	70%	121.4
Corporate	**1,297.7**	**100%**	**1,297.7**	1,404.4	100%	1,404.4
Transport division	**26.6**	**100%**	**26.6**	68.3	100%	68.3
Total	**2,349.5**		**1,971.5**	2,878.2		2,378.2
Borrowings:						
Los Pelambres (Note 16)	**(1,503.6)**	**60%**	**(902.2)**	(1,533.7)	60%	(920.2)
Centinela (Note 16)	**(252.5)**	**70%**	**(176.8)**	(374.3)	70%	(262.0)
Antucoya (Note 16)	**(392.4)**	**70%**	**(274.7)**	(433.6)	70%	(303.5)
Corporate (Note 16)	**(1,011.2)**	**100%**	**(1,011.2)**	(1,005.6)	100%	(1,005.6)
Transport division (Note 16)	**(11.1)**	**100%**	**(11.1)**	(22.4)	100%	(22.4)
Total (Note 16)	**(3,170.8)**		**(2,376.0)**	(3,369.6)		(2,513.7)
Net (debt)/cash	**(821.3)**		**(404.5)**	(491.4)		(135.5)

Production and Sales Statistics (not subject to audit or review)

a) Production and sales volumes for copper, gold and molybdenum

	Production			Sales		
	Six months ended 30.06.2023	Six months ended 30.06.2022	Year ended 31.12.2022	**Six months ended 30.06.2023**	Six months ended 30.06.2022	Year ended 31.12.2022
Copper	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**128.5**	98.4	275	**129.1**	96.3	271.2
Centinela	**109.2**	111.3	247.5	**108.6**	107	246.1
Antucoya	**38.0**	36.4	79.2	**37.4**	37.1	80.8
Zaldívar (attributable basis - 50%)	**19.8**	22.5	44.5	**20.3**	22.7	44.4
Group total	**295.5**	268.6	646.2	**295.4**	263.1	642.5
Gold	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**19.6**	15.4	43.1	**20.5**	15.2	42.3
Centinela	**66.7**	58.4	133.7	**58.4**	58.4	132.3
Group total	**86.2**	73.8	176.8	**78.9**	73.6	174.6
Molybdenum	**000 tonnes**	000 tonnes	000 tonnes	**000 tonnes**	000 tonnes	000 tonnes
Los Pelambres	**3.4**	2.7	7.2	**3.7**	2.7	6.8
Centinela	**1.5**	1.3	2.4	**1.5**	1.2	2.4
Group total	**4.9**	4.0	9.6	**5.2**	3.9	9.2
Silver	**000 ounces**	000 ounces	000 ounces	**000 ounces**	000 ounces	000 ounces
Los Pelambres	**670.2**	568.2	1,603.8	**633.3**	548.2	1,562.9
Centinela	**633.2**	544.6	1,212.1	**589.3**	537.9	1184.2
Group total	**1,303.4**	1,112.8	2,815.9	**1,222.6**	1,086.1	2,747.1

b) Cash costs per pound of copper produced and realised prices per pound of copper and molybdenum sold

	Net Cash costs			Realised prices		
	Six months ended 30.06.2023 $/lb	Six months ended 30.06.2022 $/lb	Year ended 31.12.2022 $/lb	**Six months ended 30.06.2023 $/lb**	Six months ended 30.06.2022 $/lb	Year ended 31.12.2022 $/lb
Copper						
Los Pelambres	**1.17**	1.32	1.10	**3.97**	3.94	3.76
Centinela	**1.88**	1.98	1.75	**4.01**	4.22	3.89
Antucoya	**2.72**	2.50	2.50	**4.01**	4.34	3.95
Zaldivar (attributable basis – 50%)	**2.96**	2.14	2.39	**-**	-	-
Group weighted average (net of by-products)	**1.75**	1.82	1.61	**3.99**	4.13	3.84
Group weighted average (before deducting by-products)	**2.48**	2.37	2.19			
Group weighted average (before deducting by-products and excluding treatment & refining charges from concentrate)	**2.32**	2.25	2.05			
Cash costs at Los Pelambres comprise:						
On-site and shipping costs	**1.82**	1.85	1.66			
Treatment & refining charges for concentrates	**0.22**	0.17	0.18			
Cash costs before deducting by-product credits	**2.04**	2.02	1.84			
By-product credits (principally molybdenum)	**(0.87)**	(0.70)	(0.74)			
Cash costs (net of by-product credits)	**1.17**	1.32	1.10			
Cash costs at Centinela comprise:						
On-site and shipping costs	**2.65**	2.54	2.29			
Treatment & refining charges for concentrates	**0.17**	0.14	0.15			
Cash costs before deducting by-product credits	**2.82**	2.68	2.44			
By-product credits (principally gold)	**(0.94)**	(0.70)	(0.69)			
Cash costs (net of by-product credits)	**1.88**	1.98	1.75			
LME average copper price				**3.95**	4.43	4.23
Gold				$/oz	$/oz	$/oz
Los Pelambres				**2,022**	1,930	1,785
Centinela				**1,978**	1,891	1,806
Group weighted average				**1,989**	1,899	1,801
Market average price				**1,932**	1,873	1,800
Molybdenum				$/lb	$/lb	$/lb
Los Pelambres				**25.3**	18.1	20.9
Centinela				**24.1**	17.7	20.5
Group weighted average				**25.0**	18.0	20.8
Market average price				**27.1**	18.7	18.7
Silver				$/oz	$/oz	$/oz
Los Pelambres				**25.2**	23.5	21.2
Centinela				**24.6**	23.4	21.1
Group weighted average				**24.9**	23.5	21.2
Market average price				**23.4**	23.3	21.8

Notes to the production and sales statistics

(i) For the Group's subsidiaries, the production and sales figures reflect the total amounts produced and sold by the mine, not the Group's share of each mine. The Group owns 60% of Los Pelambres, 70% of Centinela and 70% of Antucoya. For the Zaldívar joint venture, the production and sales figures reflect the Group's proportional 50% share.

(ii) Los Pelambres produces copper and molybdenum concentrates, Centinela produces copper concentrate, copper cathodes and molybdenum concentrate, and Antucoya and Zaldívar produce copper cathodes. The figures for Los Pelambres and Centinela are expressed in terms of payable metal contained in concentrate and in cathodes. Los Pelambres and Centinela are also credited for the gold and silver contained in the copper concentrate sold. Antucoya and Zaldívar produce cathodes with no by-products.

(iii) Cash costs are a measure of the cost of operational production expressed in terms of cents per pound of payable copper produced. Cash costs are stated net of by-product credits. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporate tax for all four operations. With sales of concentrates at Los Pelambres and Centinela, which are sold to smelters and roasting plants for further processing into fully refined metal, the price of the concentrate invoiced to the customer reflects the market value of the fully refined metal less a "treatment and refining charge" (TC/RC) deduction, to reflect the lower value of this partially processed material compared with the fully refined metal. For accounting purposes, the revenue amount reflects the invoiced price (is which reflects the net of the market value of fully refined metal less the treatment and refining charges). However, under the standard industry definition of unit cash costs, treatment and refining charges are regarded as an expense and part of cash costs.

(iv) Realised copper prices are determined by comparing revenue from copper sales (after adding back treatment and refining charges for concentrates) with sales volumes for each mine in the period. Realised molybdenum and gold prices are calculated on a similar basis. Realised prices reflect mark-to-market adjustments for sales contracts which contain provisional pricing mechanisms and gains and losses on commodity derivatives, which are included within revenue.

(v) The totals in the tables above may include some small apparent differences as the specific individual figures have not been rounded.

(vi) The production information and the cash cost information is derived from the Group's production report for the second quarter of 2023, published on 19 July 2023.