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FULL-YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Strong Finish to the Year

Antofagasta plc CEO Iván Arriagada said: "*The year ended strongly for the Company. EBITDA was $2.9 billion this year, and I am pleased that our EBITDA margin remained solid at 50%. Copper production reflected the expected continuing drought in Chile and the effects of increased input prices, and the pipeline incident at Los Pelambres. Over the year, we exited the Reko Diq project in Pakistan recognising a $945 million exceptional gain and we expect to receive that cash before the end of 2023.*

"Operations reported a record safety performance with no serious incidents and our Cost and Competitiveness Programme generated benefits of $124 million which is significantly above our target of $50 million. We recognise climate change as one of the greatest challenges facing the world today and acknowledge our responsibility to be part of the solution. Since April 2022 all our electricity contracts are from renewable energy, significantly reducing our Scope 2 emissions and allowing us to reach our goal three years earlier than targeted.

"Looking ahead, the Los Pelambres expansion is expected to be in production during Q2 including the new desalination plant which will significantly alleviate the water constraints that we have experienced over the past 18 months. Also, copper and by-product production is expected to increase over the course of 2023 and we expect cash costs before by-product credits to remain in line with 2022. All this is supported by copper's fundamentals which remain strong, with China showing signs of recovery and with the energy transition underpinning the long-term demand for copper.

"In line with our dividend policy, the Board has recommended a final dividend of 50.5 cents per share, to be approved by shareholders at the AGM, which brings the total dividend for the year to 59.7 cents per share, equivalent to a pay-out ratio of 100%, reflecting our positive outlook for 2023."

HIGHLIGHTS

Financial performance

- **Revenue for the full year was $5,862 million,** 22% lower than in 2021 reflecting a 12% decrease in copper sales and a 12% decrease in realised copper prices
- **EBITDA[(1)] was $2,930 million**, 39% lower than the previous year on lower revenue and operating costs that increased by 10% mainly due to inflation and higher input prices
- **EBITDA margin[(2)] decreased to 50.0%** from 64.7% in 2021
- **Cost and Competitiveness Programme (CCP) generated benefits of $124 million in 2022,** above the original target of $50 million, through improved plant utilisation and more efficient use of inputs
- **Profit before tax including exceptional items decreased by 26% to $2,559 million**
- **Cash flow from operations was $2,738 million,** 39% lower than in 2021 due largely to lower EBITDA
- **Continuing strong balance sheet with a net debt to EBITDA ratio at the end of the period of 0.3 times.** Net debt was $886 million at the end of the period compared with net cash of $540 million 12 months previously. This movement largely reflects the $1,172 million payment of the 2021 final dividend
- **Capital expenditure increased modestly to $1,879 million[(3)],** $102 million higher than in 2021 partly reflecting higher prices for construction inputs with increased capital expenditure on sustaining projects at Centinela, and higher mine development expenditure at Los Pelambres and Centinela
- **Underlying earnings per share from continuing operations and excluding exceptional items[(1)] of 59.7 cents,** 82.8 cents lower than in 2021

- **Exceptional gain of $945 million,** following the completion of the definitive agreements for the Company to exit its indirect interest in the Reko Diq project
- **Earnings per share from continuing operations including exceptional items were 155.5 cents**, 19% higher than in 2021
- **Final dividend of 50.5 cents per share recommended,** to be approved by shareholders at the AGM, bringing the total dividend for the year to 59.7 cents per share, equal to 100% of underlying earnings per share

Operating performance (as previously announced)

- **Safety remains our top priority**. With no serious incidents in 2022, all safety indicators improved during the year. The Mining division's Lost Time Injury Frequency Rate fell by 32% and High Potential Incidents were down by 37%
- **Group copper production finished the year strongly and for the full year was 646,200 tonnes**, 10.4% lower than last year mainly due to the temporary reduction in throughput (-12.0%) at Los Pelambres as a result of the drought and the reduced concentrate pipeline availability in June, and expected lower grades (-18.3%) at Centinela Concentrates
- **Gold production for the full year was 176,800 ounces**, 29.9% lower than in the previous year as a result of the expected lower grades at Centinela
- **Molybdenum production for the full year was 9,700 tonnes**, 7.6% lower than in 2021 due to lower throughput and grades at Los Pelambres
- **Cash costs before by-product credits[1] in 2022 were $2.19/lb**, 22.3% higher than last year mainly due to the impact of the drought and higher input prices during the period, particularly for diesel and sulphuric acid, partly offset by the weaker Chilean peso and the savings coming from our Cost and Competitiveness Programme
- **Net cash costs[1] for the full year were $1.61/lb**, 34.2% higher than in 2021 due to higher cash costs before by-product credits

2023 Guidance (as previously announced)

- **Group production in 2023 is expected to be 670-710,000 tonnes of copper, 220-240,000 ounces of gold and 10-11,500 tonnes of molybdenum.** Copper guidance reflects that the Los Pelambres desalination and concentrator plants will be in production during the second quarter of the year partly offset by lower grades at Centinela Cathodes. Gold and molybdenum guidance reflects the higher grades and recoveries expected at Centinela Concentrates
- **Copper and by-product production is expected to increase quarter on quarter through the year**
- **Group cash costs in 2023 before by-product credits are expected to be $2.20/lb**, in line with 2022 reflecting higher production, CCP savings and decreased input costs, offset by inflation and a stronger Chilean peso
- **Group net cash costs in 2023 are expected to be $1.65/lb** as by-product credits are forecast to decrease reflecting the expected fall in gold and molybdenum prices
- **Capital expenditure in 2023 is expected to be $1.9 billion[3]**, as sustaining and mine development expenditure increase to approximately $1.5 billion due to inflation, higher-than-average mine development at Centinela Concentrates, detailed engineering works on the Los Pelambres desalination expansion and concentrate pipeline projects and the expansion of the tailing storage facility at Centinela. Development expenditure is expected to reduce to $400 million and includes residual expenditure on the Los Pelambres Expansion project and on engineering and pre-investment commitment work on the Centinela Second Concentrator project

Other

- **Total mineral resources increased by 921 million tonnes during the year,** including a maiden inferred resource at Encierro of 522 million tonnes at 0.79% CuEq and an additional 100 million tonnes of inferred resources at Cachorro, both of which are in northern Chile
- **Cuprochlor-T proprietary primary leach process** advanced during the year and was incorporated into future mine plans

YEAR ENDING 31 DECEMBER		2022	2021	%
Revenue	$m	5,862.0	7,470.1	(21.5)
EBITDA[1]	$m	2,929.7	4,836.2	(39.4)
EBITDA margin[1, 2]	%	50.0%	64.7%	(22.7)
Profit before tax (including exceptional items)	$m	2,558.9	3,477.1	(26.4)
Underlying earnings per share[1] (continuing operations excluding exceptional items)	cents	59.7	142.5	(58.1)
Earnings per share (continuing operations including exceptional items)	cents	155.5	130.9	18.8
Dividend per share	cents	59.7	142.5	(58.1)
Cash flow from continuing operations	$m	2,738.3	4,507.7	(39.3)
Capital expenditure[3]	$m	1,879.2	1,777.5	5.7
Net debt/(cash) at period end[1]	$m	885.8	(540.5)	-
Average realised copper price	$/lb	3.84	4.37	(12.1)
Copper sales	kt	642.5	725.6	(11.5)
Gold sales	koz	174.7	244.7	(28.6)
Molybdenum sales	kt	9.2	10.4	(11.5)
Cash costs before by-product credits[1]	$/lb	2.19	1.79	22.3
Net cash costs[1]	$/lb	1.61	1.2	34.2

Note: The financial results are unaudited and prepared in accordance with UK-adopted International Accounting Standards, unless otherwise noted below.

(1) Alternative performance measures as detailed on page 63 of this Full-year results announcement

(2) Calculated as EBITDA/Revenue. If Associates and JVs revenue is included the EBITDA margin was 46.7% in 2022 and 61.1% in 2021.

(3) On a cash basis

A copy of the 2022 Full-Year Results presentation is available for download from the Company's website www.antofagasta.co.uk.

There will be a presentation and Q&A at 10:30am GMT today hosted by Iván Arriagada - Chief Executive Officer, Mauricio Ortiz - Chief Financial Officer and René Aguilar, Vice President - Corporate Affairs and Sustainability. Attendance can be in-person or by video. Further details can be found here.

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FINANCIAL AND OPERATING REVIEW

2022 FINANCIAL HIGHLIGHTS

Revenue in 2022 was $5,862 million, 22% lower than in 2021 reflecting copper sales volumes and prices, which both fell by 12%.

EBITDA was $2,930 million.

In December 2022 the Company exited its interest in the Reko Diq project in Pakistan resulting in an exceptional gain of $945 million.

Profit before tax including exceptional items was $2,559 million, 26% lower than in 2021 reflecting the lower EBITDA, partially offset by the Reko Diq exceptional gain.

Earnings per share from continuing operations excluding exceptional items for the year were 59.7 cents, a decrease of 82.8 cents or 58% compared with 2021 on lower EBITDA.

Earnings per share from continuing operations including exceptional items for the year were 155.5 cents, reflecting the impact of exceptional gains of 95.8 cents, and were 18.8% higher than in 2021.

Cash flow from continuing operations was $2,738 million, a $1,769 million decrease compared with 2021 due largely to lower EBITDA.

SUSTAINABILITY

Safety and health

Antofagasta prioritises the safety, health and wellbeing of its people. With no fatal or serious safety incidents in 2022, all safety indicators improved during the year.

In 2022 the Group continued to reduce the number of high potential incidents (HPIs), recording a 35% reduction year-on-year due to improvements at both our Mining and Transport divisions. HPIs are leading indicators of the effectiveness of safety controls and are a key measure of our success in strengthening them.

The Company seeks to keep its Lost Time Injury Frequency Rate (LTIFR) below a score of 1. In 2022, the Mining division achieved 0.76, 32% better than 2021, while the overall Group scored 0.84, a 37% improvement. This was due to strengthened control strategies for high-risk tasks.

Communities

Antofagasta aims to create shared social value in the regions where we operate through education and training initiatives, job creation and social investment that addresses the needs of local communities. A commitment to respect human rights underlines our interactions. The Company uses a multi-stakeholder, open dialogue engagement approach to ensure that local communities participate in the selection of our social investment projects through our Somos Choapa (We are Choapa) and Diálogos para el Desarrollo (Dialogues for Development) engagement mechanisms in the Choapa Province and the Antofagasta Region respectively. Projects and programmes are usually implemented in collaboration with third parties, such as civil society organisations and state institutions. In 2022 $57 million were invested in community programmes.

Some of the community programmes implemented in 2022 were:

- The Company expanded our En Red digital community programme, which has more than 20 initiatives that address the deficit of digital infrastructure and skills in rural and underprivileged communities near our operations.
- In the Antofagasta Region, the Company is an active participant in the Antofagasta Mining Cluster, a public-private alliance that seeks to foster the Region’s economic development. The efforts are focused on developing human capital and innovative local suppliers.
- The Company’s scholarship programme supported 951 young people from the Choapa Province and the Antofagasta Region in their secondary and tertiary education.

- Los Pelambres stepped up efforts to ensure continuous water availability for agriculture and other industrial uses rather than mining, and irrigation in the drought stricken Choapa Province, through our Aproxima and Confluye programmes. Two such initiatives were to fund the construction of two ponds to capture the heavier than usual snowmelt in the Spring and to reline 55 km of irrigation canals to further reduce water losses.

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 retention of all people including women and those with disabilities or different cultural origins. In a key initiative, we ran a campaign on respectful behaviours and held workshops on respectful environments.

In 2022, we increased the proportion of our female employees to 20.4%, compared with 17.2% in 2021, meeting our goal for the year. This is a steady improvement since 2018, when we set out to double female participation by the end of 2022, compared with a baseline of 8.6% in 2017. We met that target a year early, in 2021, and have set a new aspirational gender diversity goal for women to represent 30% of employees by 2025.

Climate Change and emission targets

As a Group, we recognise climate change as one of the world's greatest challenges and acknowledge that we are part of the solution. As a copper producer, we supply an input that is critical for low-carbon technologies and, at the same time, we are working to decarbonise our operations, putting climate change at the heart of how we manage our business.

In 2021, the Group set targets to reduce direct and indirect emissions (Scopes 1 and 2) by 30% by 2025 compared with the 2020 baseline, equivalent to a reduction of 730,000 tCO_2e, and to achieve carbon neutrality by 2050 or earlier, technology permitting. Now, and since April 2022, all our electricity consumption is from renewable energy sources, reducing our Scope 2 emissions to almost zero and allowing us to achieve our 30% reduction commitment three years earlier than anticipated.

In 2022, we began working on a preliminary decarbonisation plan for all our operations, defining the baselines, the truck replacement plan, energy input projections and the assumptions for current and future technologies. During 2023, we will establish a new medium-term emission reduction goal for 2030 and we will set out the steps needed to achieve carbon neutrality by 2050.

Water

Water consumption and efficiency have long been at the forefront of our Mining division's concerns. Three of our four mining operations are located in the Atacama Desert and the fourth, Los Pelambres, is in an area that has been suffering a severe drought for the past 13 years, which, according to various climate scenarios, is expected to continue. Consistent with our Climate Change Strategy our operations are reducing their dependence on continental water sources through improved water use efficiency and the increased use of sea water as an overall proportion of our water consumption.

Centinela stopped extracting any continental water at the end of December and, on completion of the planned expansion of the desalination plant at Los Pelambres, which is expected in 2025, sea and recirculated water will account for over 90% of the Mining division's operational water use.

Due to the continuing drought in the Choapa Valley, the DGA (Chile's water administration department) recently reviewed the water distribution arrangements in the valley. Under the current water rights, Los Pelambres has a net positive impact on water availability in the Choapa Valley and following this review by the DGA, along with other stakeholders in the Choapa Valley, Los Pelambres will continue to engage in discussions with the relevant authorities regarding any adjustments to the existing distribution arrangements which have been in place for many years, including exercising any administrative and legal procedures as may be required.

Zaldívar submitted an Environmental Impact Assessment (EIA) in 2018 which included an application to extend its water extraction and mining permits to 2029 (with decreasing activity levels in 2030-2031). Currently, Zaldívar is permitted to extract water and mine into 2025 and 2024, respectively. The 2018 application is still pending approval.

To ensure the continuity of the operation, Zaldívar plans to submit a DIA (Declaration of Environmental Impact), a limited scope and less detailed procedure than an EIA, requesting that the mining permit be extended from 2024 to 2025 so as to expire at the same date as the current water permit.

Zaldívar is also evaluating alternatives to the 2018 EIA application and continues to work diligently with the authorities and consult with the local indigenous community. These include the transition from the current continental water source after completion of an extension to the current water permit, to either procuring water from a third party or using raw seawater. Alternatives could be contingent on the potential life of mine extension arising from the development of the large primary sulphide resource at the mine which is beyond the scope of the 2018 EIA application.

During the period, 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.

PRODUCTION AND CASH COSTS

During the year, copper production was 646,200 tonnes, 10.4% lower than in 2021, mainly due to the temporary reduction in throughput (-12.0%) at Los Pelambres as a result of the drought and the reduced concentrate pipeline availability in June, and expected lower grades (-18.3%) at Centinela Concentrates.

Gold production was 176,800 ounces, 29.9% lower than in the previous year as a result of the expected lower grades at Centinela.

Molybdenum production was 9,700 tonnes, 7.6% lower than in 2021 due to lower throughput and grades at Los Pelambres.

The Transport division transported a record 7.1 million tonnes during 2022, 6.1% higher than in 2021.

Cash costs before by-product credits in 2022 were $2.19/lb, 22.3% higher than last year mainly due to the impact of the drought and higher input prices during the period, particularly for diesel and sulphuric acid, partly offset by the weaker Chilean peso and the savings coming from our Cost and Competitiveness Programme (CCP). Net cash costs for the full year were $1.61/lb, 34.2% higher than in 2021 due to higher cash costs before by-product credits.

COST AND COMPETITIVENESS PROGRAMME

The Group's Cost and Competitiveness Programme achieved more than double its target, yielding benefits of $124 million. This total comprised $88 million from cost savings and $36 million from productivity improvements.

The benefits were mainly achieved through higher utilisation of our processing facilities, such as at Centinela where the concentrator operated at 4% above design capacity and at Antucoya, which achieved record throughput for the year. Also, the consumption rates for some key inputs were improved through enhanced operational practices and the use of data analytics. These initiatives were especially beneficial this year, partially offsetting the impact of lower production and increased industry-wide input prices.

EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs increased by $10 million to $113 million, mainly as a result of a higher level of activity particularly exploration in Chile at Cachorro and Encierro.

NET FINANCE EXPENSE

Net finance expense for the year was $68 million compared with net finance income of $16 million in 2021. This change was mainly due to the impact of the translation of Chilean peso denominated monetary assets and liabilities recognised in other finance items into US dollars.

TAXATION

The effective tax rate for the period was 37.4% before exceptional items and 23.6% after exceptional items, which compares with 36.5% and 35.7% respectively in 2021.

The income tax expense for the year excluding exceptional items was $604 million, a decrease of 55% as a result of lower profits before tax. Income tax paid during the year was $787 million compared with $777 million in 2021.

EXCEPTIONAL ITEMS

In December 2022 the Company exited its interest in the Reko Diq project in Pakistan resulting in an exceptional gain of $945 million.

See the Reko Diq Project section below and Note 14 to the Full-year results announcement for more information.

CAPITAL EXPENDITURE AND DEPRECIATION & AMORTISATION

Capital expenditure in 2022 was $1,879 million, including $561 million of sustaining capital expenditure, $582 million mine development and $676 million growth expenditure. This was an increase of $102 million on 2021 with increased expenditure on sustaining projects at Centinela, and higher mine development expenditure at Los Pelambres and Centinela. Further information is included in the Review of Operations below.

Depreciation, amortisation and loss on disposals increased by $55 million to $1.14 billion.

NET DEBT

Net debt at the end of the period was $886 million, largely reflecting the $1,172 million payment of the 2021 final dividend. The Net Debt to EBITDA ratio at the end of the period was 0.3 times. Cash flow from operations reduced to $2,738 million compared with $4,508 million in 2021.

DIVIDENDS

The Board has recommended a final dividend for 2022 of 50.5 cents per share, to be approved by shareholders at the AGM, which together with the interim dividend of 9.2 cents per share amounts to a total dividend of 59.7 cents per share. This is equal to a 100% pay-out ratio of underlying net earnings and is consistent with the Company’s dividend policy.

PROPOSED MINING ROYALTY

The Government presented a revised draft mining royalty bill to Congress in October which was approved by the Senate Mining and Energy Committee in January and passed to the Senate Treasury Committee for discussion. The bill will then be debated in the Senate before being passed to the lower house for its consideration.

CONSTITUTIONAL CONVENTION

After the proposed new Chilean constitution was rejected in a national referendum in September 2022, Congress has adopted a new plan for drafting the constitution. The plan includes specific boundaries for the scope of the drafting process. The new constitution will be put to a vote in a national referendum in December 2023.

MINERAL RESOURCES

The Group's total mineral resources increased by 921 million tonnes during the year to 20,699 million tonnes containing approximately 14.1 million tonnes on an attributable basis.

Cachorro, in northern Chile, reported its maiden inferred resources in 2021 and these were increased by over 70% during 2022 to 242.4 Mt at 1.21% copper (cut-off grade of 0.5% copper), making the project one of the most important manto-type deposits in the northern coastal belt in Chile. It lies between Antucoya and Centinela and may benefit from the use of their facilities.

The Encierro project in the Chilean High Andes, 100 km east of the city of Vallenar and 600km north of Santiago declared its maiden resources in 2022. The deposit is a complex Cu-Au-Mo Miocene porphyry copper with inferred resources of 522 Mt at 0.65% copper, 0.22 g/t gold and 74 ppm molybdenum (cut-off grade of 0.5% copper).

CUPROCHLOR-T®

During 2022, we completed the validation of our in-house patented primary sulphides leaching technology (Cuprochlor-T®) and made the technology available to our operations to incorporate in their long-term planning. This new technology may potentially unlock value from previously uneconomic mineral resources which would not otherwise be processed. It could also bring forward the profitable processing of ore otherwise scheduled to be mined in many years' time, or that was previously considered to be uneconomic, at operations with spare capacity in their cathode production facilities.

REKO DIQ PROJECT

In 2019 the World Bank Group's International Centre for Settlement of Investment Disputes ("ICSID") awarded $5.84 billion in damages (compensation and accumulated interest as at the date of the award) to Tethyan Copper Company Pty Limited ("Tethyan"), the joint venture held equally by the Company and Barrick Gold Corporation ("Barrick"), in relation to an arbitration claim filed against the Islamic Republic of Pakistan ("Pakistan") following the unlawful denial of a mining lease for the Reko Diq project in Pakistan in 2011.

In March 2022 the Company reached an agreement in principle with Barrick and the Governments of Pakistan and Balochistan on a framework that provided for the reconstitution of the Reko Diq project, and a pathway for the Company to exit the Reko Diq project.

In December 2022 the parties entered into definitive agreements under which the project was reconstituted under Tethyan and a consortium of Pakistani state-owned enterprises acquired shares in the Tethyan subsidiary which holds the project, and the ICSID award was resolved.

The proceeds from the acquisition of the shares of Tethyan's subsidiary will be held by Tethyan until they are distributed to the Company before the end of 2023. An exceptional gain of $945 million has been recognised in the 2022 financial statements.

FUTURE GROWTH

The Group has a pipeline of growth projects to develop our significant mineral resource base which we are currently advancing through a disciplined process of project evaluation.

The Zaldívar Chloride Leach project was commissioned in 2022 and pre-stripping of the Esperanza Sur pit project was completed in July. The Los Pelambres Expansion project was 93% complete as at the end of 2022 with the desalination plant and the concentrator plant expansion due to be in production during the second quarter of this year.

Progress continues on the engineering and pre-investment studies for the Centinela Second Concentrator project. In line with our disciplined approach to capital allocation, the project will be sent to the Board for final investment approval during 2023 following completion of the Los Pelambres Expansion project and once there is sufficient clarity on the outcomes of the ongoing discussions on the mining royalty and tax reform bills, and the rewriting of the Chilean constitution.

COPPER MARKET

The copper price started the year strongly reaching an historic high in March of $4.86/lb before falling to a low of $3.18/lb in July and recovering to finally close the year at $3.81/lb.

Copper's price fluctuations reflected the broader volatility in the global economy. Though the details differed in important ways for each major economy, their growth was similarly dampened in 2022. Driving the slowdown were headwinds that dominated headlines for much of the year: Russia's invasion of Ukraine and the economic shockwaves and energy crisis it sparked; rising inflation and interest rates; the lingering effects of COVID-19; China's reduced economic activity; and ongoing supply shortages and strained global supply chains.

Over the year the LME copper price averaged $4.00/lb, 5% lower than in 2021.

The copper market started 2023 strongly but has fallen back recently on increased economic and geopolitical uncertainty. However, if the nascent recovery of the Chinese market continues and any lasting disruptions to global trade are avoided. Overall, the outlook is positive.

2023 GUIDANCE (as previously announced)

Copper production in 2023 is expected to be 670-710,000 tonnes with the Los Pelambres desalination and concentrator expansion expected to be in production during Q2 2023, and lower production at Centinela Cathodes. Copper production is expected to increase quarter on quarter through the year.

Gold production for 2023 is expected to be 220-240,000 ounces, as grades and recoveries increase at Centinela Concentrates. Molybdenum production is expected to be 10-11,500 tonnes, as a result of higher throughput at Los Pelambres and higher recoveries at Centinela.

Group cash costs in 2023 before and after by-product credits are expected to be $2.20/lb and $1.65/lb respectively, reflecting higher production and decreased input costs, offset by inflation and a stronger Chilean peso. By-product credits are expected to decrease as gold and molybdenum prices fall.

Capital expenditure in 2023 is expected to be $1.9 billion, as sustaining and mine development expenditure increase for the year to approximately $1.5 billion, and development expenditure reduces to $400 million. Development capital expenditure reflects construction inputs inflation and includes residual expenditure on the Los Pelambres Expansion project. Sustaining and mine development expenditure include higher-than-average mine development at Centinela Concentrates, detailed engineering works on the Los Pelambres desalination expansion and concentrate pipeline projects, the expansion of the tailings storage facility at Centinela, and engineering and pre-investment work on the Centinela Second Concentrator project.

REVIEW OF OPERATIONS

LOS PELAMBRES

2022 Performance

Operating Performance

As expected, the prolonged drought at Los Pelambres impacted copper production, which was also affected by the concentrate pipeline incident.

EBITDA was $1,473 million, compared with $2,526 million in 2021, reflecting lower copper realised prices, lower sales volumes and higher operating costs.

Production

Copper production for the year decreased by 15.3% to 275,000 tonnes, mainly due to the lower throughput due the expected restrictions on water availability during 2022 as a result of the accumulated impact of the long-running drought conditions in the Los Pelambres area, and the pipeline incident. Molybdenum production in 2022 was 7,200 tonnes, 21.7% lower than in 2021 due to a decline in throughput and grades. Gold production was 43,100 ounces, 19.0% lower than the previous year.

Costs

Cash costs before by-product credits were $1.84/lb, 15.7% higher than in 2021. This was due to the lower production, higher input prices (mainly diesel, explosives and energy) and general inflation, partially offset by the weaker Chilean peso.

By-product credits increased from $0.70/lb in 2021 to $0.74/lb in 2022 due to higher realised by-product prices despite lower production.

Net cash costs were $1.10/lb, 21c/lb higher than in 2021, reflecting the increase in cash costs before by-product credits, partially offset by higher by-product credits.

Capital expenditure

Capital expenditure during 2022 was $890 million, including $251 million on sustaining capital expenditure and $496 million on growth projects.

As at the end of 2022 the Los Pelambres Desalination Plant and Concentrator Expansion projects, including design, procurement and construction, were 93% complete, and both are due to be in production during the second quarter of 2023.

Outlook for 2023

The forecast production for 2023 is 320–335,000 tonnes of copper, 7.5–8,500 tonnes of molybdenum and 45–55,000 ounces of gold. Higher production is due to higher throughput, as the desalination and concentrator expansion are expected to be in production by the end of Q2 2023.

Cash costs before by-product credits are forecast to be approximately $1.85/lb and net cash costs $1.25/lb, reflecting higher production and decreased input costs, offset by inflation and a stronger Chilean peso.

CENTINELA

2022 Performance

Operating Performance

Centinela Concentrates' grades declined in 2022. However, operational reliability continued to improve and throughput averaged above design capacity for the year as a whole.

EBITDA at Centinela was $1,157 million, compared with $1,919 million in 2021, on lower copper and gold sales volumes, lower copper realised prices and higher unit costs.

Production

Copper production was 247,500 tonnes, 9.7% lower than last year due to expected lower ore grades at Centinela Concentrates, partially offset by higher throughput.

Production of copper in concentrate was 149,300 tonnes, 19.5% lower than in 2021, reflecting expected lower ore grades (18.3%), partially offset by throughput above the design capacity of 105,000 tonnes of ore per day. Copper cathode production was 98,200 tonnes, 10.6% higher than in 2021 mainly due to expected higher grades and recoveries, despite lower throughput.

Gold production was 133,700 ounces, 32.8% lower than in 2021, as grades, which are correlated to copper grades, and recoveries decreased. Molybdenum production was 2,400 tonnes on increased grades.

Costs

Cash costs before by-product credits in 2022 were $2.44/lb, 30.5% higher than in 2021 due to the impact of lower copper production and higher input costs.

By-product credits were $0.69/lb, 5c/lb lower than in 2021 due to lower gold production partially offset by higher molybdenum production and price.

Net cash costs were $1.75/lb, 62c/lb higher than 2021.

Capital expenditure

Capital expenditure was $857 million, including $431 million on mine development, $252 million of sustaining capital expenditure and $174 million on development capital expenditure.

Outlook for 2023

Production is forecast at 235–250,000 tonnes of copper, 175–185,000 ounces of gold and 2.5–3,000 tonnes of molybdenum. Copper production will decrease compared with 2022 as grades fall at Centinela Cathodes.

Cash costs before by-product credits are forecast to be approximately $2.55/lb and net cash costs $1.70/lb.

ANTUCOYA

2022 Performance

Operating Performance

Antucoya continued to improve its operational reliability and consistency during the year with throughput increasing by 4.6% compared with 2021.

EBITDA was $261 million compared with $337 million in 2021, reflecting higher operating costs and the lower realised copper price.

Production

Antucoya produced 79,200 tonnes, 0.8% higher than last year due to higher throughput, which averaged 89,400 tonnes per day for the year, the plant's design capacity.

Costs

Cash costs for 2022 were $2.50/lb, 22.5% higher than in 2021 due to increased input costs, particularly for sulphuric acid, diesel and explosives.

Capital expenditure

Capital expenditure was $67 million, including $58 million on sustaining capital expenditure.

Outlook for 2023

Production is forecast to be 70–75,000 tonnes of copper and cash costs are expected to be approximately $2.45/lb.

ZALDÍVAR

2022 Performance

Operating Performance

During 2022, Zaldívar ramped up its Chloride leach project following the successful completion of its construction.

Attributable EBITDA was $147 million compared with $173 million in 2021.

Production

Attributable copper production was 44,500 tonnes, 1.1% higher than in 2021 mainly due to higher grades, partially offset by lower throughput.

Costs

Cash costs were $2.39/lb, unchanged from the previous year. The long leach cycle of approximately 210 days generates a time lag in costs, so the full effect of higher input prices is not yet fully reflected.

Capital expenditure

Attributable capital expenditure in 2022 was $55 million, of which $44 million was sustaining capital expenditure.

Outlook for 2023

Attributable copper production is forecast to be 45–50,000 tonnes at a cash cost of approximately $2.70/lb.

TRANSPORT DIVISION

2022 Performance

Operating performance

Tonnage transported in 2022 increased by 6.1% to an all-time record 7.1 million tonnes as new transport contracts have ramped up during the year.

EBITDA was $80 million, 17% higher than in 2021, reflecting the higher revenue from increased volumes and better contracted sales prices.

Costs

The division has implemented several operational efficiency improvements this year with positive results that led to increased volumes and cost optimisation which will ensure its long-term competitiveness. In addition, it continued its Cost and Competitiveness Programme to improve its cost structure, revenue stream and operating standards, achieving benefits of some $9 million during the year.

Outlook for 2023

The division has won or renewed nine contracts in 2022 and will continue with the same focus in 2023. Over the coming years, the division has a portfolio of projects that will allow it to increase its bulk materials transport volumes, mainly for the copper and lithium industries.

The division continues to advance its plans to convert its land in the centre of the city of Antofagasta from industrial to urban use. This has involved extensive consultation with communities, neighbours and other stakeholders. Remediation work will start in 2023.

GROWTH PROJECTS AND OPPORTUNITIES

Los Pelambres Expansion

This expansion project is divided into two phases. Phase 1 is expected to be in production in the second quarter of 2023 and Phase 2 by the end of 2025.

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.

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 l/s to 800 l/s. 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.

By the end of 2022, the desalination plant and the water pipeline were 95.7% complete and commissioning was under way, with production expected in the second quarter of 2023. At the concentrator plant expansion site, progress was 91.0% with production expected in the second quarter of 2023.

A detailed review of the project schedule and costs in early 2022 resulted in the capital cost estimate for Phase 1 being increased to $2.2 billion (from $1.7 billion). Of this increase, approximately $220 million was related to the impact of COVID-19 on costs and the construction schedule, and $170 million was related to general inflation, including increased input prices, wages, labour incentives and logistics costs, with the balance reflecting other adjustments to implementation plans and an updated contingency provision.

Phase 2 – Future expansion

Following the decision in 2020 to increase the size of the desalination plant, Phase 2 of the expansion now 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 2025/2026, by which time over 95% of Los Pelambres’s water needs will be fulfilled by desalinated or 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’s 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 35,000 tonnes per year.

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 and increasing the capacity of the concentrator and the El Mauro tailings facility. Key studies on tailings and waste storage capacity have advanced and community consultation is under way. The 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 km 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 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 the cost of the new water supply system. The increase on the previously quoted 2015 pre-feasibility estimate of $2.7 billion reflects inflation, design improvements, heightened environmental and other regulatory requirements, and the results of advanced engineering and a more detailed execution plan. The estimate includes a concentrator plant, capitalised stripping, mining equipment, a new tailings storage facility, a water pipeline and other infrastructure, pre-commercial production operating costs, and owner's and other costs.

The decision by the Board on whether to proceed with the project is expected in 2023, with timing dependent on the outcome of ongoing discussions on the tax reform and mining royalty bills and the rewriting of Chile's constitution. 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. These expansions will further progress maximising the potential of Centinela's large mineral resource base.

During 2022 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 in 2023. The outsourcing of the water supply will only proceed if it improves the net present value of the project.

Esperanza Sur pit

The Esperanza Sur pit is 4 km south of the Esperanza pit, close to Centinela's concentrator plant. The deposit contains 1.4 billion tonnes of reserves with a grade of 0.4% copper, 0.13g/t of gold and 0.012% of molybdenum.

Pre-stripping by a contractor was completed in July and Centinela has taken over the operation of the pit using a fleet of 11 autonomous trucks, the first to be used by the Group. Ore from the pit is now being processed at the Centinela concentrator.

The opening of the Esperanza Sur pit improves Centinela's flexibility in supplying its concentrator and, over the initial years, the higher-grade material from the pit will increase production by some 10–15,000 tonnes of copper per year, compared with production levels if material was supplied solely from the Esperanza pit. This greater flexibility will allow Centinela to smooth and optimise its year-on-year production profile, which has in the past been variable.

Zaldívar Chloride Leach

This project is expected to increase copper recoveries by approximately 10 percentage points, with further upside in recoveries possible depending on the type of ore being processed. This will increase copper production at Zaldívar by approximately 10–15,000 tonnes per annum over the remaining life of the mine.

The project was completed in early 2022 at a total capital cost of $190 million. The project included an upgrade of the Solvent Extraction (SX) plant, new reagents facilities and the construction of additional washing ponds for controlling the chlorine levels. Ramp-up is currently underway to achieve the full improvement in recoveries and will extend into 2023.

As the Group equity accounts for its interest in Zaldívar, capital expenditure at the operation is not included in Group total capital expenditure amounts.

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 two 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. This action alone does not prevent Twin Metals from proceeding with the project since it does not affect its pre-existing rights.

FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2022

	Year ended 31.12.2022 (Unaudited)			Year ended 31.12.2021 (Audited)		
	Before exceptional items	**Exceptional items**	**Total**	Before exceptional items	Exceptional Items	Total
	$m	$m	**$m**	$m	$m	$m
Revenue	5,862.0	-	**5,862.0**	7,470.1	-	7,470.1
EBITDA (including share of EBITDA from associates and joint ventures)	2,929.7	-	**2,929.7**	4,836.2	-	4,836.2
Total operating costs	(4,227.7)	-	**(4,227.7)**	(3,891.1)	(177.6)	(4,068.7)
Operating profit from subsidiaries	1,634.3	-	**1,634.3**	3,579.0	(177.6)	3,401.4
Net share of results from associates and joint ventures	48.1	-	**48.1**	59.7	-	59.7
Gain on disposal of investment in joint venture	-	944.7	**944.7**	-	-	-
Operating profit from subsidiaries, and total profit from associates and joint ventures	1,682.4	944.7	**2,627.1**	3,638.7	(177.6)	3,461.1
Net finance expense	(68.2)	-	**(68.2)**	16.0	-	16.0
Profit before tax	1,614.2	944.7	**2,558.9**	3,654.7	(177.6)	3,477.1
Income tax expense	(603.6)	-	**(603.6)**	(1,332.9)	90.6	(1,242.3)
Profit from continuing operations	1,010.6	944.7	**1,955.3**	2,321.8	(87.0)	2,234.8
Profit for the year	1,010.6	944.7	**1,955.3**	2,321.8	(87.0)	2,234.8
Attributable to:						
Non-controlling interests	422.3	-	**422.3**	917.4	27.2	944.6
Profit/loss attributable to the owners of the parent	588.3	944.7	**1,533.0**	1,404.4	(114.2)	1,290.2
Basic earnings per share	**Cents**	**cents**	**Cents**	**cents**	**Cents**	Cents
From continuing operations	59.7	95.8	**155.5**	142.5	(11.6)	130.9

The profit for the financial year attributable to the owners of the parent (including exceptional items) increased from $1,290.2 million in 2021 to $1,533.0 million in the current year. Excluding exceptional items, the profit attributable to the owners of the parent decreased by $816.1 million to $588.3 million.

The full reconciliation between 2021 and 2022, including exceptional items, is as follows:	$m
Profit attributable to the owners of the parent in 2021	**1,290.2**
Less: exceptional items – 2021	**114.2**
Profit attributable to the owners of the parent in 2021 (excluding exceptional items)	**1,404.4**
Decrease in revenue	(1,608.1)
Increase in total operating costs (excluding exceptional items)	(336.6)
Decrease in net share of profit from associates and joint ventures (excluding exceptional items)	(11.6)
Increase in net finance expenses	(84.2)
Decrease in income tax expense (excluding exceptional items)	729.3
Decrease in non-controlling interests	495.1
	(816.1)
Profit attributable to the owners of the parent in 2022 (excluding exceptional items)	**588.3**
Exceptional items – 2022	944.7
Profit attributable to the owners of the parent in 2022	**1,533.0**

Revenue

The $1,608.1 million decrease in revenue from $7,470.1 million in 2021 to $5,862.0 million in the current year reflected the following factors:

	$m
Revenue in 2021	**7,470.1**
Decrease in copper sales volumes	(799.4)
Decrease in realised copper price	(704.5)
Increase in treatment and refining charges	(3.8)
Decrease in gold revenue	(122.5)
Increase in molybdenum revenue	25.9
Decrease in silver revenue	(27.2)
Increase in Transport division revenue	23.4
	(1,608.1)
Revenue in 2022	**5,862.0**

Revenue from the Mining division

Revenue from the Mining division decreased by $1,631.5 million, or 22%, to $5,668.6 million, compared with $7,300.1 million in 2021. The decrease reflected a $1,507.7 million reduction in copper sales and a $123.8 million decrease in by-product revenue.

Revenue from copper sales

Revenue from copper concentrate and copper cathode sales decreased by $1,507.7 million, or 24%, to $4,905.5 million, compared with $6,413.2 million in 2021. The decrease reflected the impact of $799.4 million from lower sales volumes, $704.5 million from lower realised prices and $3.8 million from higher treatment and refining charges.

(i) Copper volumes

Copper sales volumes reflected within revenue decreased by 12.2% from 681,000 tonnes in 2021 to 598,100 tonnes in 2022, decreasing revenue by $799.4 million. This decrease was due to lower copper sales volumes at Los Pelambres (53,300 tonnes decrease) as a result of its decreased production due to the concentrate pipeline issue and water shortage, and lower sales volumes at Centinela (30,000 tonnes decrease) due to decreased production volumes reflecting expected lower ore grades.

(ii) Realised copper price

The average realised copper price decreased by 12% to $3.84/lb in 2022 (2021 – $4.37/lb), resulting in a $704.5 million decrease in revenue. The decrease in the realised price reflected the lower LME average market price, which fell by 5% to $4.00/lb in 2022 (2021 - $4.23/lb), and a negative provisional pricing adjustment of $169.7 million. The provisional pricing adjustment mainly reflected the decrease in the year-end mark-to-market copper price to $3.80/lb at 31 December 2022, compared with $4.42/lb at 31 December 2021. In addition, during 2022 there was no impact in respect of commodity hedging instruments as no hedges were in place during the year, whereas the prior year revenue included a $126.8 million negative impact in respect of hedging instruments which matured during 2021.

Realised copper prices are determined by comparing revenue (after adding back 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 Full-year results announcement.

(iii) Treatment and refining charges

Treatment and refining charges (TC/RCs) for copper concentrate increased by $3.8 million to $155.8 million in 2022, compared with $152.0 million in 2021 reflecting higher average TC/RC rates, offset by the decrease in concentrate sales volumes at Los Pelambres and Centinela.

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 is the invoiced amount, which is 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 an expense and part of the total cash cost figure.

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 decreased by $123.8 million or 14.0% to $763.1 million in 2022, compared with $886.9 million in 2021.

Revenue from gold sales (net of treatment and refining charges) was $313.9 million (2021 - $436.4 million), a decrease of $122.5 million which reflected a decrease in volumes slightly offset by a higher realised price. Gold sales volumes decreased by 28.6% from 244,700 ounces in 2021 to 174,700 ounces in 2022 as the gold grades, which are often correlated to copper grades, decreased, as did recoveries at Centinela. The realised gold price was $1,801/oz in 2022 compared with $1,788/oz in 2021, reflecting the average market price for 2022 of $1,800/oz (2021 - $1,799/oz) and a positive provisional pricing adjustment of $3.5 million.

Revenue from molybdenum sales (net of roasting charges) was $392.3 million (2021 - $366.4 million), an increase of $25.9 million. The increase was due to the higher realised price of $20.8/lb (2021 – $17.4/lb), partially offset by decreased sales volumes of 9,200 tonnes (2021 – 10,400 tonnes).

Revenue from silver sales decreased by $27.2 million to $56.9 million (2021 - $84.1 million). The decrease was due to lower sales volumes of 2.7 million ounces (2021 – 3.4 million ounces) and the lower realised silver price of $21.2/oz (2021 - $24.9/oz).

Revenue from the Transport division

Revenue from the Transport division (FCAB) increased by $23.4 million or 13.8% to $193.4 million (2021 - $170.0 million), mainly due to increased volumes and better pricing in some contracts.

Total operating costs (excluding exceptional items)

The $336.6 million increase in total operating costs (excluding exceptional items) from $3,891.1 million in 2021 to $4,227.7 million in the current year reflected the following factors:

	$m
Total operating costs in 2021 (excluding exceptional items)	**3,891.1**
Increase in mine-site operating costs	252.8
Increase in closure provision and other mining expenses	6.4
Increase in exploration and evaluation costs	9.8
Decrease in corporate costs	(0.5)
Increase in Transport division operating costs	12.8
Increase in depreciation, amortisation and loss on disposals	55.3
	336.6
Total operating costs in 2022 (excluding exceptional items)	**4,227.7**

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

Operating costs (excluding depreciation, amortisation, loss on disposals and impairments) at the Mining division increased by $268.5 million to $2,965.4 million in 2022, an increase of 10.0%. Of this increase, $252.8 million was attributable to higher mine-site operating costs. This increase in mine-site costs reflected higher key input prices and general inflation, partly offset by the impact of the decreased sales volumes, the weaker Chilean peso and cost savings from the Group's Cost and Competitiveness Programme.

On a unit cost basis, weighted average cash costs excluding by-product credits (which for accounting purposes are part of revenue) and treatment and refining charges for concentrates (which are also part of revenue for accounting purposes), increased from $1.68/lb in 2021 to $2.05/lb in 2022.

The Cost and Competitiveness Programme was implemented to reduce the Group's cost base and improve its competitiveness within the industry. During 2022 the programme achieved benefits of $124.0 million in the Mining division, of which $88.0 million reflected cost savings and $36.0 million reflected the value of productivity improvements. Of the $88.0 million of cost savings, $55.9 million related to Los Pelambres, Centinela and Antucoya, and therefore impacted the Group's operating costs, and $32.1 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 $6.4 million. Exploration and evaluation costs increased by $9.8 million to $113.0 million (2021 – $103.2 million), reflecting increased exploration expenditure principally in respect of the Cachorro and Encierro projects, and also increased expenditure on geotechnical drilling at Los Pelambres, partly offset by lower costs at Twin Metals.

Corporate costs decreased by $0.5 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 $12.8 million to $119.1 million (2021 - $106.3 million), mainly due to an increase in the price of diesel used for locomotives and trucks as well as the impact of the higher inflation rate on labour, material and contractor costs.

Depreciation, amortisation and disposals (excluding impairments)

The expense for depreciation, amortisation and loss on disposals increased by $55.3 million from $1,087.9 million in 2021 to $1,143.2 million. This increase is mainly due to higher amortisation of IFRIC 20 stripping costs at Centinela, offset by the impact of depreciation deferred in inventory, also largely at Centinela.

Operating profit from subsidiaries

As a result of the above factors, operating profit from subsidiaries decreased by $1,935.7 million or 54.1% in 2022 to $1,634.3 million (2021 - $3,579.0 million).

Share of results from associates and joint ventures

The Group's share of results from associates and joint ventures was a profit of $48.1 million in 2022, compared with $59.7 million in 2021. Of this decrease, $21.3 million was due to lower profits at Zaldívar.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation, and impairments) decreased by $1,906.5 million or 39.4% to $2,929.7 million (2021 - $4,836.2 million). EBITDA includes the Group's proportional share of EBITDA from associates and joint ventures.

EBITDA from the Mining division decreased by 40.2% from $4,768.0 million in 2021 to $2,849.7 million this year. This reflected the lower revenue and higher mine-site costs explained above, and to a lesser extent a lower EBITDA from associates and joint ventures.

EBITDA at the Transport division increased by $11.8 million to $80.0 million in 2022 ($68.2 million – 2021), reflecting the higher revenue and slightly increased EBITDA from associates and joint ventures, offset by higher operating costs, mainly due to inflation and the increased price of diesel.

Commodity price and exchange rate sensitivities

The following sensitivities show the estimated approximate impact on EBITDA for 2022 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 2022, and the impact of the movement in the average exchange rate reflects the estimated impact on Chilean peso denominated operating costs during the year. 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 year-end.

	Average market commodity price / average exchange rate during the year ended 31.12.22	Impact of a 10% movement in the commodity price / exchange rate on EBITDA for the year ended 31.12.22 $m
Copper price	$4.00/lb	566
Molybdenum price	$18.7/lb	38
Gold price	$1,800/oz	31
US dollar / Chilean peso exchange rate	872	153

Net finance (expense)/income

Net finance expense of $68.2 million reflected a variance of $84.2 million compared with the $16.0 million gain in 2021.

	Year ended 31.12.22 $m	Year ended 31.12.21 $m
Interest income	40.2	5.0
Interest expense	(78.6)	(63.4)
Other finance items	(29.8)	74.4
Net finance expense	**(68.2)**	**16.0**

Interest income increased from $5.0 million in 2021 to $40.2 million in 2022, mainly due to an increase in average interest rates.

Interest expense increased from $63.4 million in 2021 to $78.6 million in 2022, again mainly reflecting an increase in average interest rates, partially offset by the decrease in the average relevant borrowing balances (after taking account of borrowings where the interest is capitalised).

Other finance items were a net loss of $29.8 million, compared with a net gain of $74.4 million in 2021, a variance of $104.2 million. This was largely due to the foreign exchange impact of the retranslation of Chilean peso denominated assets and liabilities, which resulted in a $12.8 million loss in 2022 compared with a $49.7 million gain in 2021. In addition, there was a negative year-on-year variance of $41.7 million related to the discounting of long-term provisions, largely driven by the increase in discount rates in 2021 resulting in a decrease in the provision balances and a corresponding credit recognised in other finance items in the prior year.

Profit before tax

As a result of the factors set out above, profit before tax decreased by 26.4% to $2,558.9 million (2021 - $3,477.1 million).

Income tax expense

The tax charge for 2022 excluding exceptional items decreased by $729.3 million to $603.6 million (2021 – $1,332.9 million) and the effective tax rate for the year was 37.4% (2021 – 36.5%). Including exceptional items, the tax charge for 2022 was $603.6 million and the effective tax rate was 23.6%.

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).

	Year ended Excluding exceptional items 31.12.2022		**Year ended Including exceptional items 31.12.2022**		Year ended Excluding exceptional items 31.12.2021		Year ended Including exceptional items 31.12.2021	
	$m	**%**	**$m**	**%**	$m	%	$m	%
Profit before tax	**1,614.2**		**2,558.9**		3,654.7		3,477.1	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(435.9)**	**27.0**	**(691.0)**	**27.0**	(986.8)	27.0	(938.8)	27.0
Mining Tax (royalty)	**(94.5)**	**5.8**	**(94.5)**	**3.7**	(243.8)	6.7	(243.8)	7.0
Deduction of mining royalty as an allowable expense in determination of first category tax	**23.1**	**(1.4)**	**23.1**	**(0.9)**	67.8	(1.9)	67.8	(1.9)
Items not deductible from first category tax	**(33.9)**	**2.1**	**(33.9)**	**1.3**	(31.6)	0.9	(31.6)	0.9
Adjustment in respect of prior years	**(2.6)**	**0.1**	**(2.6)**	**0.1**	(12.1)	0.3	(12.1)	0.3
Withholding tax	**(73.0)**	**4.6**	**(73.0)**	**2.9**	(195.0)	5.3	(195.0)	5.6
Tax effect of share of profit of associates and joint ventures	**13.0**	**(0.8)**	**13.0**	**(0.5)**	16.1	(0.4)	16.1	(0.5)
Impact of unrecognised tax losses on current tax	**0.2**	**-**	**0.2**	**-**	52.5	(1.4)	52.5	(1.5)
Recognition of previously unrecognised tax losses on deferred tax	**-**	**-**	**-**	**-**	-	-	90.6	(2.6)
Provision against carrying value of assets	**-**	**-**	**-**	**-**	-	-	(48.0)	1.4
Gain on disposal of investment in joint venture	**-**	**-**	**255.1**	**(10.0)**	-	-	-	-
Tax expense and effective tax rate for the Year ended	**(603.6)**	**37.4**	**(603.6)**	**23.6**	(1,332.9)	36.5	(1.242.3)	35.7

The effective tax rate excluding exceptional items of 37.4% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $71.4 million / 4.4% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the withholding tax relating to the remittance of profits from Chile (impact of $73.0 million / 4.6%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $33.9 million / 2.1%) and adjustments in respect of prior years (impact of $2.6 million / 0.1%), partly offset by the impact of 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 $13.0 million / 0.8%).

The impact of the exceptional items on the effective tax rate including exceptional items was $255.1 million / 10.0%. Further details of the exceptional gain on the disposal of the Group's investment in the Tethyan joint venture, including relevant tax aspects, are set out in Note 14 to the Full-year results announcement.

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 on-going businesses of the Group.

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 has recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. Full details of the agreements and gain on disposal are set out in Note 14 to the Full-year results announcement.

2021 - Impairment of Twin Metals' assets

In 2021 an impairment was recognised in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project.

2021 - Recognition of previously unrecognised deferred tax assets

At 31 December 2021, the Group recognised $90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, reflecting the improved actual and forecast profitability of the relevant Group entity (Antucoya).

Non-controlling interests

Profit for 2022 attributable to non-controlling interests (excluding exceptional items) was $422.3 million, compared with $917.4 million in 2021, a decrease of $495.1 million. This reflected the decrease in earnings analysed above.

Earnings per share

	Year ended 31.12.22 $ cents	Year ended 31.12.21 $ cents
Underlying earnings per share (excluding exceptional items)	**59.7**	142.5
Earnings per share (exceptional items)	**95.8**	(11.6)
Earnings per share (including exceptional items)	**155.5**	130.9

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

As a result of the factors set out above, the underlying profit attributable to equity shareholders of the Company (excluding exceptional items) was $588.3 million compared with $1,404.4 million in 2021, giving underlying earnings per share of 59.7 cents per share (2021 – 142.5 cents per share). The profit attributable to equity shareholders (including exceptional items) was $1,533.0 million, resulting in earnings per share of 155.5 cents per share (2021 – 130.9 cents per share).

Dividends

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

	Year ended 31.12.22 **$ cents**	Year ended 31.12.21 $ cents
Ordinary dividends:		
Interim	**9.2**	23.6
Final	**50.5**	118.9
Total dividends to ordinary shareholders	**59.7**	142.5

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 recommended a final dividend for 2022 of 50.5 cents per ordinary share, which amounts to $497.6 million and will be paid on 12 May 2023 to shareholders on the share register at the close of business on 21 April 2023.

The Board declared an interim dividend for the first half of 2022 of 9.2 cents per ordinary share, which amounted to $90.7 million.

This gives total dividends proposed in relation to 2022 (including the interim dividend) of 59.7 cents per share or $588.3 million in total (2021 – 142.5 cents per ordinary share or $1,404.8 million in total) equivalent to a payout ratio of 100% of underlying earnings.

Capital expenditure

Capital expenditure increased by $101.7 million from $1,777.5 million in 2021 to $1,879.2 million in the current year, mainly due to increased sustaining capex at Centinela, Los Pelambres and Antucoya, increased mine development at Los Pelambres and Centinela, offset by lower expenditure on the Esperanza Sur pit at Centinela and the Los Pelambres Expansion project.

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

Derivative financial instruments

The Group periodically uses derivative financial instruments to reduce its exposure to commodity price, foreign exchange and interest rate movements. The Group does not use such derivative instruments for speculative trading purposes. At 31 December 2022 there were no derivative financial instruments in place (2021 – nil).

Cash flows

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

	Year ended 31.12.22 $m	Year ended 31.12.21 $m
Cash flows from continuing operations	**2,738.3**	4,507.7
Income tax paid	(787.1)	(776.9)
Net interest paid	(45.2)	(53.3)
Capital contributions and loans to associates	-	(33.5)
Purchases of property, plant and equipment	(1,879.2)	(1,773.0)
Acquisition of mining properties	-	(4.5)
Acquisition of equity investments	(66.5)	-
Dividends paid to equity holders of the Company	(1,262.9)	(710.8)
Dividends paid to non-controlling interests	(80.0)	(604.5)
Dividends from associates and joint ventures	50.0	142.5
Other items	0.1	1.4
Changes in net debt relating to cash flows	**(1,332.5)**	695.1
Other non-cash movements	(70.4)	(73.8)
Effects of changes in foreign exchange rates	(23.4)	1.2
Movement in net debt in the period	**(1,426.3)**	622.5
Net cash/(net debt) at the beginning of the year	540.5	(82.0)
(Net debt)/net cash at the end of the year	**(885.8)**	540.5

Cash flows from continuing operations were $2,738.3 million in 2022 compared with $4,507.7 million in 2021. This reflected EBITDA from subsidiaries for the year of $2,777.5 million (2021 – $4,666.9 million) adjusted for the negative impact of a net working capital increase of $12.7 million (2021 – working capital increase of $140.2 million) and a non-cash decrease in provisions of $26.5 million (2021 – decrease of $19.0 million).

The working capital increase in 2022 was mainly due to the increase of work in progress inventories in the Mining division and an increase in finished goods inventories at Centinela, partially offset by a decrease in receivables, reflecting the lower average mark-to-market price at 31 December 2022 of $3.80/lb (31 December 2021 - $4.42/lb) and lower sales volumes towards the end of the current period compared with the end of 2021, and an increase in creditors.

The net cash outflow in respect of tax in 2022 was $787.1 million (2021 – $776.9 million). This amount differs from the current tax charge in the consolidated income statement (including exceptional items) of $448.8 million (2021 – $1,035.5 million) mainly because cash tax payments for corporate tax and the mining tax include the settlement of outstanding balances in respect of the previous year’s tax charge of $332.2 million (2021 - $30.9 million), withholding tax payments of $24.5 million, payments on account for the current year based on the prior year’s profit levels of $435.6 million, as well as the recovery of $5.1 million relating to prior years.

Contributions and loans to associates and joint ventures were nil (2021 - $33.5 million, relating to Hornitos and Tethyan).

Capital expenditure in 2022 was $1,879.2 million compared with $1,777.5 million in 2021. This included expenditure of $889.7 million at Los Pelambres (2021 – $880.4 million), $857.0 million at Centinela (2021 – $791.8 million), $66.9 million at Antucoya (2021 – $49.6 million), $10.8 million at the corporate centre (2021 – $24.4 million) and $54.8 million at the Transport division (2021 - $31.3 million). The increase in sustaining capex at Centinela and Los Pelambres, and increased mine development at Los Pelambres and Centinela, was partially offset by less expenditure on the Esperanza Sur pit at Centinela.

Dividends paid to equity holders of the Company were $1,262.9 million (2021 - $710.8 million) of which $1,172.1 million related to the payment of the previous year's final dividend and $90.7 million to the interim dividend declared in respect of the current year.

Dividends paid by subsidiaries to non-controlling shareholders were $80.0 million (2021 – $604.5 million).

Dividends received from associates and joint ventures was $50.0 million for 2022 (2021 – $142.5 million).

Financial position

	At 31.12.22 **$m**	At 31.12.21 $m
Cash, cash equivalents and liquid investments	**2,391.2**	3,713.1
Total borrowings	**(3,277.0)**	(3,172.6)
(Net debt)/ net cash at the end of the period	**(885.8)**	540.5

At 31 December 2022 the Group had combined cash, cash equivalents and liquid investments of $2,391.2 million (31 December 2021 – $3,713.1 million). Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of cash, cash equivalents and liquid investments was $1,990.9 million (31 December 2021 – $3,299.9 million).

Total Group borrowings at 31 December 2022 were $3,277.0 million, an increase of $104.4 million on the prior year (31 December 2021 – $3,172.6 million). The increase was mainly due to the $488.5 million from the issue of the new corporate bond, $327.4 million of additional draw-down for the Los Pelambres Expansion project, a $50.0 million refinancing of the senior loan at Antucoya and $51.3 million of new finance leases, partly offset by a $686.1 million repayment of the senior loans at Corporate ($500.0 million), Centinela ($111.1 million), Los Pelambres ($50.0 million) and Antucoya ($25.0 million), $35.0 million repayment of Antucoya's short term loan and $19.6 million of subordinated debt repayment by Antucoya.

Excluding the non-controlling interest share in each partly-owned operation, the Group's attributable share of the borrowings was $2,449.7 million (31 December 2021 – $2,409.6 million).

These movements resulted in net debt at 31 December 2022 of $885.8 million (31 December 2021 – net cash $540.5 million). Excluding the non-controlling interest share in each partly-owned operation, the Group had an attributable net debt position of $458.7 million (31 December 2021 – net cash $890.3 million).

Going concern

The consolidated financial information contained in this unaudited Full-year results announcement 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 financial report.

Cautionary statement about forward-looking statements

This Full-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: 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	Year ended 31.12.2022 (Unaudited) Excluding exceptional items $m	Exceptional items note 3 $m	Total $m	Year ended 31.12.2021 (Audited) Excluding exceptional items $m	Exceptional items note 3 $m	Total $m
Group revenue	5	**5,862.0**	**-**	**5,862.0**	7,470.1	-	7,470.1
Total operating costs	2	**(4,227.7)**	**-**	**(4,227.7)**	(3,891.1)	(177.6)	(4,068.7)
Operating profit from subsidiaries	2	**1,634.3**	**-**	**1,634.3**	3,579.0	(177.6)	3,401.4
Net share of results of associates and joint ventures	2	**48.1**	**-**	**48.1**	59.7	-	59.7
Gain on disposal of investment in joint venture	3	**-**	**944.7**	**944.7**	-	-	-
Operating profit from subsidiaries, and total profit from associates and joint ventures		**1,682.4**	**944.7**	**2,627.1**	3,638.7	(177.6)	3,461.1
Investment income		**40.2**	**-**	**40.2**	5.0	-	5.0
Interest expense		**(78.6)**	**-**	**(78.6)**	(63.4)	-	(63.4)
Other finance items		**(29.8)**	**-**	**(29.8)**	74.4	-	74.4
Net finance (expense)/income	8	**(68.2)**	**-**	**(68.2)**	16.0	-	16.0
Profit before tax		**1,614.2**	**944.7**	**2,558.9**	3,654.7	(177.6)	3,477.1
Income tax expense	9	**(603.6)**	**-**	**(603.6)**	(1,332.9)	90.6	(1,242.3)
Profit from continuing operations		**1,010.6**	**944.7**	**1,955.3**	2,321.8	(87.0)	2,234.8
Profit for the year		**1,010.6**	**944.7**	**1,955.3**	2,321.8	(87.0)	2,234.8
Attributable to:							
Non-controlling interests		**422.3**	**-**	**422.3**	917.4	27.2	944.6
Owners of the parent		**588.3**	**944.7**	**1,533.0**	1,404.4	(114.2)	1,290.2
		US cents	**US cents**	**US cents**	US cents	US cents	US cents
Basic earnings per share							
From continuing operations	10	**59.7**	**95.8**	**155.5**	142.5	(11.6)	130.9

Consolidated Statement of Comprehensive Income

	Notes	**Year ended 31.12.2022 (Unaudited)**	Year ended 31.12.2021 (Audited)
		$m	$m
Profit for the year	**5**	**1,955.3**	2,234.8
Items that may be or were subsequently reclassified to profit or loss:			
Losses on cash flow hedges		**-**	(90.9)
Losses on fair value of cash flow hedges transferred to the income statement		**-**	126.8
Currency translation adjustment		**(0.4)**	(1.6)
Income tax relating to these items		**-**	(4.4)
Total items that may be or were subsequently reclassified to profit or loss		**(0.4)**	29.9
Items that will not be subsequently reclassified to profit or loss:			
Actuarial (losses)/gains on defined benefit plans	**19**	**(18.1)**	3.1
Gains/(losses) on fair value of equity investments	**16**	**15.8**	(2.1)
Tax relating to these items		**5.7**	(2.5)
Total Items that will not be subsequently reclassified to profit or loss		**3.4**	(1.5)
Total other comprehensive income		**3.0**	28.4
Total comprehensive income for the year		**1,958.3**	2,263.2
Attributable to:			
Non-controlling interests		**418.1**	952.8
Equity holders of the Company		**1,540.2**	1,310.4
Total comprehensive income for the year - continuing operations		**1,958.3**	2,263.2
		1,958.3	2,263.2

Consolidated Statement of Changes in Equity

For the year ended 31.12.2022 (Unaudited)

	Share capital	Share premium	Other reserves (Note 23)	Retained earnings (Note 23)	**Equity attributable to equity owners of the parent**	Non-controlling interests	**Total equity**
	$m	$m	$m	$m	**$m**	$m	**$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**

For the year ended 31 December 2021 (Audited)

	Share capital	Share premium	Other reserves (Note 23)	Retained earnings (Note 23)	**Equity attributable to equity owners of the parent**	Non-controlling interests	**Total equity**
	$m	$m	$m	$m	**$m**	$m	**$m**
Balance at 1 January 2021	89.8	199.2	(30.6)	7,492.2	**7,750.6**	2,330.5	**10,081.1**
Profit for the year	-	-	-	1,290.2	**1,290.2**	944.6	**2,234.8**
Other comprehensive income for year	-	-	20.2	-	**20.2**	8.2	**28.4**
Total comprehensive income for the year	**-**	**-**	**20.2**	**1,290.2**	**1,310.4**	**952.8**	**2,263.2**
Dividends	-	-	-	(710.8)	**(710.8)**	(604.5)	**(1,315.3)**
Balance at 31 December 2021	**89.8**	**199.2**	**(10.4)**	**8,071.6**	**8,350.2**	**2,678.8**	**11,029.0**

Consolidated Balance Sheet

		At 31.12.2022 (Unaudited)	At 31.12.2021 (Audited)
Non-current assets	**Notes**	**$m**	$m
Intangible assets	12	**-**	-
Property, plant and equipment	13	**11,543.5**	10,538.5
Other non-current assets		**1.1**	1.3
Inventories	17	**347.0**	270.4
Investments in associates and joint ventures	15	**904.6**	905.8
Trade and other receivables		**51.0**	51.2
Equity investments	16	**90.5**	8.7
Deferred tax assets	21	**78.5**	96.8
		13,016.2	11,872.7
Current assets			
Inventories	17	**708.1**	532.8
Trade and other receivables		**2,087.2**	1,146.1
Current tax assets		**35.6**	13.7
Liquid investments	25	**1,580.8**	2,969.7
Cash and cash equivalents	25	**810.4**	743.4
		5,222.1	5,405.7
Total assets		**18,238.3**	17,278.4
Current liabilities			
Short-term borrowings and other financial liabilities	18	**(432.5)**	(337.1)
Trade and other payables		**(1,079.7)**	(829.1)
Short-term decommissioning and restoration provisions	20	**(33.2)**	(33.8)
Current tax liabilities		**(60.4)**	(374.2)
		(1,605.8)	(1,574.2)
Non-current liabilities			
Medium and long-term borrowings and other financial liabilities	18	**(2,844.5)**	(2,835.5)
Trade and other payables		**(8.0)**	(16.8)
Liabilities in relation to joint ventures	15	**-**	(0.6)
Post-employment benefit obligations	19	**(137.3)**	(107.5)
Decommissioning and restoration provisions	20	**(455.0)**	(302.3)
Deferred tax liabilities	21	**(1,543.3)**	(1,412.5)
		(4,988.1)	(4,675.2)
Total liabilities		**(6,593.9)**	(6,249.4)
Net assets		**11,644.4**	11,029.0
Equity			
Share capital	22	**89.8**	89.8
Share premium	22	**199.2**	199.2
Other reserves	23	**5.0**	(10.4)
Retained earnings	23	**8,333.5**	8,071.6
Equity attributable to equity owners of the parent		**8,627.5**	8,350.2
Non-controlling interests		**3,016.9**	2,678.8
Total equity		**11,644.4**	11,029.0

The consolidated financial information was approved by the Board of Directors on 20 February 2023.

Consolidated Cash Flow Statement

	Notes	At 31.12.2022 (Unaudited) $m	At 31.12.2021 (Audited) $m
Cash flows from continuing operations	**24**	**2,738.3**	4,507.7
Interest paid		**(74.3)**	(60.7)
Income tax paid		**(787.1)**	(776.9)
Net cash from operating activities		**1,876.9**	3,670.1
Investing activities			
Capital contributions to associates and joint ventures	**15**	**-**	(33.5)
Dividends from associates and joint ventures	**15**	**50.0**	142.5
Acquisition of mining properties		**-**	(4.5)
Acquisition of equity investments	**16**	**(66.5)**	-
Proceeds from sale of property, plant and equipment		**0.2**	1.5
Purchases of property, plant and equipment		**(1,879.2)**	(1,773.0)
Net decrease/(increase) in liquid investments	**25**	**1,388.9**	(543.7)
Interest received		**29.1**	7.4
Net cash used in investing activities		**(477.5)**	(2,203.3)
Financing activities			
Dividends paid to equity holders of the Company		**(1,262.9)**	(710.8)
Dividends paid to preference shareholders of the Company		**(0.1)**	(0.1)
Dividends paid to non-controlling interests		**(80.0)**	(604.5)
Proceeds from issue of new borrowings	**25**	**865.9**	149.1
Repayments of borrowings	**25**	**(751.3)**	(694.7)
Principal elements of lease payments	**25**	**(105.4)**	(88.9)
Net cash used in financing activities		**(1,333.8)**	(1,949.9)
Net increase/(decrease) in cash and cash equivalents	**25**	**65.6**	(483.1)
Cash and cash equivalents at beginning of the year		**743.4**	1,246.8
Net increase/(decrease) in cash and cash equivalents	**25**	**65.6**	(483.1)
Effect of foreign exchange rate changes	**25**	**1.4**	(20.3)
Cash and cash equivalents at end of the year	**25**	**810.4**	743.4

Notes

1. General information and accounting policies

a) General information

The consolidated financial information for the year ended 31 December 2022 was approved for issue by the Board of Directors of the Company on 20 February 2023. The consolidated financial information is unaudited but is derived from the Group's full financial accounts, which are in the final stages of being prepared.

This consolidated financial information has been prepared under the accounting policies as set out in the statutory accounts for the year ended 31 December 2021.

The consolidated financial statements of the Antofagasta plc Group for the year ended 31 December 2022 are being 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.

The consolidated financial information does 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 year ended 31 December 2021 also does not constitute statutory accounts. A copy of the statutory accounts for that year 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 information contained in the Alternative performance measures and Production and Sales Statistics section of this consolidated financial information is not derived from the statutory accounts for the years ended 31 December 2022 and 2021 and is accordingly not covered/will not be covered by the auditor's reports.

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 25, and details of borrowings are set out in Note 18.

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 31 December 2022, with combined cash, cash equivalents and liquid investments of $2,391.2 million. Total borrowings were $3,277.0 million, resulting in a net debt position of $885.8 million. Of the total borrowings, only 14% is repayable within one year, and 18% 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 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 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.
- A shutdown of any one of the Group's operations for a period of three months.
- Potential changes to the Chilean mining royalty, taking into account the Group's existing tax stability agreements.

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 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 financial statements.

b) Adoption of new accounting standards

Other 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 condensed consolidated financial statements:

The following accounting standards, amendments and interpretations became effective in the current reporting period:

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment to IAS 16 Property, Plant and Equipment – Proceeds before intended use may have significant impacts for the Group in future periods. Previously, the Group has deducted amounts received from the sale of products during the initial ramp-up of new projects, before commercial production is achieved, from the capital cost of the project. Under the amendment to IAS 16, such amounts will now instead be recognised as revenue in the income statement along with a corresponding allocation of related operating expenses, which is likely to result in increased revenue and operating expenses and a higher initial capitalised amount. There were no relevant projects impacted by the amendment during 2022. The amendment would have applied retrospectively only to relevant projects in progress at 1 January 2021 which were generating proceeds, and there were no such projects at 1 January 2021.

The application of these standards and interpretations effective for the first time in the current year has had no significant impact on the amounts reported in these financial statements.

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.

New Standards	**Effective date**
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023
Amendments to IFRSs	**Effective date**
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates – Amendments to IAS 8	Annual periods beginning on or after January 1, 2023
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)[1]	Annual periods beginning on or after January 1, 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)[1]	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)[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 this consolidated financial information are:

Judgements

- Non-financial assets impairment– see Note 4 for relevant details
- Capitalisation of project costs within property, plant and equipment

Estimates

- Deferred taxation – see Note 21 for relevant details
- Disposal of investment in the Tethyan joint venture – see Note 14 for relevant details

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

	Year ended 31.12.2022 (Unaudited)	Year ended 31.12.2021 (Audited)
	$m	$m
Revenue	**5,862.0**	7,470.1
Cost of sales	**(3,432.7)**	(3,120.2)
Gross profit	**2,429.3**	4,349.9
Administrative and distribution expenses	**(558.9)**	(550.4)
Other operating income	**37.9**	31.8
Other operating expenses[1]	**(274.0)**	(429.9)
Operating profit from subsidiaries	**1,634.3**	3,401.4
Net share of profit from associates and joint ventures	**48.1**	59.7
Gain on disposal of investment in joint venture	**944.7**	-
Total profit from operations, associates and joint ventures	**2,627.1**	3,461.1

[1]Other operating expenses comprise $113.0 million of exploration and evaluation expenditure (2021 - $103.2 million), $19.1 million in respect of the employee severance provision (2021 - $19.8 million), $16.9 million in respect of the closure provision (2021 - $11.3 million), nil in respect of the provision against the carrying value of assets relating to the Twin Metals project (2021 - $177.6 million) and $125.0 million of other expenses (2021 - $118.0 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 on-going businesses of the Group.

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 has recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million. Full details of the agreements and gain on disposal are set out in Note 14.

2021 - Impairment of Twin Metals' assets

Twin Metals Minnesota ("Twin Metals") is a wholly owned copper, nickel and platinum group metals (PGM) underground mining project, which holds copper, nickel, cobalt-PGM deposits in north-eastern Minnesota, US. In recent years, Twin Metals has been progressing its Mine Plan of Operations (MPO) and Scoping Environmental Assessment Worksheet Data Submittal, submitted in December 2019 to the US Bureau of Land Management (BLM) and Minnesota Department of Natural Resources (DNR), respectively. However, while the Twin Metals project was advancing through environmental review, several actions were taken by the federal government that have changed the potential scenarios for the project.

In September 2021, the United States Forest Service (USFS) submitted an application to withdraw approximately 225,000 acres of land in the Superior National Forest from the scope of federal mineral leasing laws, subject to valid existing rights. In October 2021, the United States Bureau of Land Management (BLM) rejected Twin Metals' Preference Right Lease Applications (PRLAs) and Prospecting Permit Applications (PPAs). In January 2022, the United States Department of the Interior cancelled Twin Metals' MNES-1352 and MNES-1353 federal mineral leases. The PRLAs and federal mineral leases form a significant proportion of the mineral resources contained within Twin Metals' current project plan and, accordingly, it was determined that these events collectively represented an impairment trigger as at the 2021 balance sheet date.

Prior to the resulting impairment assessment being performed, as at 31 December 2021, the Group had recognised an intangible asset of $150.1 million and property, plant and equipment of $27.5 million relating to the Twin Metals project. The intangible asset arose upon the acquisition in 2015 of Duluth Metals, which owned a 60% stake in the Twin Metals project, with the carrying value of the intangible asset reflecting the consideration paid for that acquisition. The property, plant and equipment balances reflected the historical cost of acquiring those assets. These carrying values prior to the impairment did not, therefore, reflect an estimate of the commercial potential of the project as at 31 December 2021.

The Group believes that Twin Metals has a valid legal right to the mining leases and a strong case to defend its legal rights. Although the Group intends to pursue validation of those rights, considering the time and uncertainty related to any legal action to challenge the government decisions, an impairment was recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project.

<u>2021 - Recognition of previously unrecognised deferred tax assets</u>

At 31 December 2021, the Group recognised $90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, reflecting the improved actual and forecast profitability of the relevant Group entity (Antucoya).

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 at the 2022 year-end, 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 the forward curve for the short term and consensus analyst forecasts for the longer term. A long-term copper price of $3.50/lb (reflecting 2022 real terms) has been used in the models used in the impairment indicator assessment, which has increased from $3.30/lb (reflecting 2021 real terms) at the prior year-end. As an additional down-side sensitivity an indicative valuation (based on the models) was performed with a long-term copper price of $3.15/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 $400 million and the Zaldívar valuation indicated a potential deficit of $170 million (on a 50% basis). This was a simple sensitivity exercise, looking at an illustrative change in the forecast long-term copper price in isolation. In reality, a deterioration in the long-term copper price environment is likely to result in corresponding improvements in a range of input cost factors. In particular, given that copper exports account for over 50% of Chile's exports, historically there has often been a correlation between movements in the copper price and the US dollar/Chilean peso exchange rate, and a decrease in the copper price may therefore result in a weakening of the Chilean peso, with a resulting reduction in the Group's operating costs and capital expenditure in US$ 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$850/$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$770/$1 used in 2021. As an additional downside sensitivity an indicative valuation was prepared with a 10% stronger long-term Chilean peso exchange rate assumption. Los Pelambres and Centinela still showed positive headroom in this alternative downside scenario. However, the Antucoya valuation indicated a potential deficit of $140 million and the Zaldívar valuation indicated a potential deficit of $100 million (on a 50% basis). 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 the potential future costs relating to climate risks. The Group discloses in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process includes scenario analyses assessing the potential future impact of transition and physical risks. The combined estimate of the potential costs of the transition risk and physical risk scenarios, have been incorporated into the models.

Chilean mining royalty

We have considered potential changes to the Chilean mining royalty (taking into account the Group's existing tax stability agreements) as part of the impairment indicator assessment

Other relevant assumptions

In addition to the impact of the future copper price, the US dollar/Chilean peso exchange rate, climate risks and the potential changes in the 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 as part of 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 considerations to which the model considered as part of the impairment indicator assessment is sensitive, in particular the following:

● Zaldívar submitted an Environmental Impact Assessment (EIA) in 2018 which included an application to extend its water extraction and mining permits to 2029 (with decreasing activity levels in 2030-2031). Currently, Zaldívar is permitted to extract water and mine into 2025 and 2024, respectively. The 2018 application is still pending approval. To ensure the continuity of the operation, Zaldívar plans to submit a DIA (Declaration of Environmental Impact), a limited scope and less detailed procedure than an EIA, requesting that the mining permit be extended from 2024 to 2025 so as to expire at the same date as the current water permit. Zaldívar is also evaluating alternatives to the 2018 EIA application. These include the transition from the current continental water source after completion of an extension to the current water permit, to either procuring water from a third party or using raw seawater. Alternatives could be contingent on the potential life of mine extension arising from the development of the large primary sulphide resource at the mine which is beyond the scope of the 2018 EIA application. The impairment indicator assessment assumes that the mining permit will be extended to cover the full period of the model, and the water permit can be extended, or reasonable alternative arrangements for securing water to enable the continued operation of the mine without interruption can be implemented. 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). The impairment indicator assessment assumes that mining of the final pit phase, which is subject to agreements or easements to access these areas and relocate this infrastructure, will be possible.

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 year ended 31.12.2022 (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	2,558.9	2,406.2	703.5	-	-	-	**5,668.6**	193.4	**5,862.0**
Operating costs excluding depreciation	(1,086.1)	(1,249.0)	(442.3)	-	(113.0)	(75.0)	**(2,965.4)**	(119.1)	**(3,084.5)**
Depreciation	(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)

For the year ended 31 December 2021 (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	3,621.0	2,981.3	697.8	-	-	-	7,300.1	170.0	7,470.1
Operating costs excluding depreciation	(1,095.0)	(1,062.0)	(360.7)	-	(103.2)	(76.0)	(2,696.9)	(106.3)	(2,803.2)
Depreciation	(281.8)	(654.7)	(98.3)	-	-	(13.0)	(1,047.8)	(30.9)	(1,078.7)
Loss on disposals	(3.7)	(4.0)	(0.5)	-	-	-	(8.2)	(1.0)	(9.2)
Provision against the carrying value of assets[4]	-	-	-	-	(177.6)	-	(177.6)	-	(177.6)
Operating profit/(loss)	2,240.5	1,260.6	238.3	-	(280.8)	(89.0)	3,369.6	31.8	3,401.4
Net share of income/(loss) from associates and joint ventures	-	-	-	68.5	-	(9.0)	59.5	0.2	59.7
Investment income	1.4	1.5	0.3	-	-	1.7	4.9	0.1	5.0
Interest expense	(3.5)	(16.4)	(15.5)	-	-	(27.2)	(62.6)	(0.8)	(63.4)
Other finance items	41.1	26.1	4.9	-	-	5.1	77.2	(2.8)	74.4
Profit/(loss) before tax	2,279.5	1,271.8	228.0	68.5	(280.8)	(118.4)	3,448.6	28.5	3,477.1
Tax	(743.7)	(382.0)	(7.1)	-	-	(188.3)	(1,321.1)	(11.8)	(1,332.9)
Tax - exceptional items[3]	-	-	90.6	-	-	-	90.6	-	90.6
Profit/(loss) for the year	1,535.8	889.8	311.5	68.5	(280.8)	(306.7)	2,218.1	16.7	2,234.8
Non-controlling interests	607.5	252.2	84.4	-	-	0.5	944.6	-	944.6
Profit/(losses) attributable to owners of the parent	928.3	637.6	227.1	68.5	(280.8)	(307.2)	1,273.5	16.7	1,290.2
EBITDA[1]	2,526.0	1,919.3	337.1	172.8	(103.2)	(84.0)	4,768.0	68.2	4,836.2
Additions to non-current assets									
Additions to property, plant and equipment	903.1	826.4	62.7	-	0.6	30.4	1,823.2	32.7	1,855.9
Segment assets and liabilities									
Segment assets	5,667.1	5,924.2	1,735.9	-	-	2,661.1	15,988.3	384.3	16,372.6
Investments in associates and joint ventures	-	-	-	900.0	-	-	900.0	5.8	905.8
Segment liabilities	(2,642.0)	(1,797.0)	(548.7)	-	-	(1,174.5)	(6,162.2)	(87.2)	(6,249.4)

[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 $98.0 million.
[3] During 2021, there was an exceptional item of $90.6 million which reflected the recognition of a deferred tax asset at Antucoya (see Note 3).
[4] An impairment was recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project, presented as an exceptional item (see Note 3).

b) Entity wide disclosures

Revenue by product

	Year ended 31.12.2022 $m	Year ended 31.12.2021 $m
Copper		
- Los Pelambres	**2,107.7**	3,097.0
- Centinela concentrates	**1,132.7**	1,735.4
- Centinela cathodes	**844.4**	774.1
- Antucoya	**697.5**	693.3
Provision of shipping services		
- Los Pelambres	**51.9**	57.8
- Centinela concentrates	**58.5**	46.8
- Centinela cathodes	**6.7**	4.3
- Antucoya	**6.0**	4.5
Gold		
- Los Pelambres	**75.4**	91.0
- Centinela concentrates	**238.4**	345.4
Molybdenum		
- Los Pelambres	**291.4**	329.2
- Centinela concentrates	**100.8**	37.2
Silver		
- Los Pelambres	**32.5**	46.0
- Centinela concentrates	**24.7**	38.1
Total Mining	**5,668.6**	7,300.1
Transport division	**193.4**	170.0
	5,862.0	7,470.1

Revenue by location of customer

	Year ended 31.12.2022 $m	Year ended 31.12.2021 $m
Europe		
- United Kingdom	**71.0**	54.4
- Switzerland	**753.6**	1,303.7
- Spain	**1.0**	67.6
- Germany	**140.0**	121.5
- Rest of Europe	**96.5**	177.4
Latin America		
- Chile	**369.1**	282.0
- Rest of Latin America	**179.7**	214.7
North America		
- United States	**312.3**	666.5
Asia Pacific		
- Japan	**1,668.6**	1,842.3
- China	**1,072.0**	1,236.9
- Singapore	**423.8**	726.1
- South Korea	**332.2**	322.6
- Hong Kong	**178.2**	217.1
- Rest of Asia	**264.0**	237.3
	5,862.0	7,470.1

Information about major customers

In the year ended 31 December 2022, the Group´s mining revenue included $1,630.5 million related to one large customer that individually accounted for more than 10% of the Group's revenue (year ended 31 December 2021 – one large customer representing $1,015.1 million).

Non-current assets by location of asset

	Year ended 31.12.2022	Year ended 31.12.2021 Restated
	$m	$m
- Chile	**12,786.1**	11,705.1
- Other[1]	**10.1**	10.9
	12,796.2	11,716.0

1 The comparatives have been restated to show a reclassification of $9.9 million from the "Chile" to the "Other" category.

	Year ended 31.12.2022	Year ended 31.12.2021
	$m	$m
Non-current assets per the balance sheet	**13,016.2**	11,872.7
The above amounts reflect non-current assets excluding;		
- Deferred tax assets	**(78.5)**	(96.8)
- Trade and other receivables	**(51.0)**	(51.2)
- Equity investments	**(90.5)**	(8.7)
Total non-current assets excluding the above	**(220.0)**	(156.7)
Non-current assets by location of asset	**12,796.2**	11,716.0

6. Group 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.

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:

	Year ended 31.12.2022	Year ended 31.12.2021
	$m	$m
Revenue from contracts with customers		
Sale of products	**5,671.2**	6,809.0
Provision of shipping services associated with the sale of products [1]	**123.1**	113.4
Transport division [2]	**193.4**	170.0
		-
Provisional pricing adjustments in respect of copper, gold and molybdenum	**(125.7)**	377.7
Total revenue	**5,862.0**	7,470.1

[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, derivative commodity instruments and treatment and refining charges for the more significant products. The revenue from these products, along with the revenue from other products and services, is reconciled to total revenue in Note 5(b).

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**
Realised losses on commodity derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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**

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the transport division, which are presented in the revenue by product table in note 5 to reconcile to Group Revenue.

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 is 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 an expense and part of the total cash cost figure.

For the year ended 31 December 2021

	$m	$m	$m	$m	$m	$m	$m	$m
	Los Pelambres Copper concentrate	Centinela Copper concentrate	Centinela Copper cathodes	Antucoya Copper cathodes	Los Pelambres Gold in concentrate	Centinela Gold in concentrate	Los Pelambres Molybdenum concentrate	Centinela Molybdenum concentrate
Provisionally priced sales of products	2,966.6	1,685.3	824.3	749.7	93.3	354.8	322.1	38.4
Revenue from freight services	57.8	46.8	4.3	4.5	-	-	-	-
	3,024.4	1,732.1	828.6	754.2	93.3	354.8	322.1	38.4
Effects of pricing adjustments to previous year invoices								
Reversal of mark-to-market adjustments at the end of the previous year	(58.7)	(26.8)	0.1	(0.5)	-	(0.9)	0.2	(0.3)
Settlement of sales invoiced in the previous year	175.1	74.7	1.8	1.5	(1.0)	(4.0)	6.4	1.2
Total effect of adjustments to previous year invoices in the current year	116.4	47.9	1.9	1.0	(1.0)	(4.9)	6.6	0.9
Effects of pricing adjustments to current year invoices								
Settlement of sales invoiced in the current year	92.2	58.8	10.2	6.0	(1.1)	(4.1)	30.6	5.8
Mark-to-market adjustments at the end of the current year	12.0	5.2	0.3	0.8	-	0.4	(5.7)	(0.7)
Total effect of adjustments to current year invoices	104.2	64.0	10.5	6.8	(1.1)	(3.7)	24.9	5.1
Total pricing adjustments	220.6	111.9	12.4	7.8	(2.1)	(8.6)	31.5	6.0
Realised losses on commodity derivatives	-	-	(62.6)	(64.2)	-	-	-	-
Revenue before deducting treatment and refining charges	3,245.0	1,844.0	778.4	697.8	91.2	346.2	353.6	44.4
Treatment and refining charges	(90.2)	(61.8)	-	-	(0.2)	(0.8)	(24.4)	(7.2)
Revenue net of tolling charges	3,154.8	1,782.2	778.4	697.8	91.0	345.4	329.2	37.2

The revenue from the individual products shown in the above table excludes revenue from sales of silver and the transport division, which are presented in the revenue by product table in note 5 to reconcile to Group Revenue.

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 is 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 an expense and part of the total cash cost figure.

(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 31.12.2022	At 31.12.2021
Sales provisionally priced at the balance sheet date	Tonnes	**179,000**	177,900
Average mark-to-market price	$/lb	**3.80**	4.41
Average provisional invoice price	$/lb	**3.65**	4.37

(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 31.12.2022	At 31.12.2021
Sales provisionally priced at the balance sheet date	Tonnes	**22,700**	15,000
Average mark-to-market price	$/lb	**3.80**	4.42
Average provisional invoice price	$/lb	**3.77**	4.39

(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 31.12.2022	At 31.12.2021
Sales provisionally priced at the balance sheet date	Ounces	**31,000**	32,300
Average mark-to-market price	$/oz	**1,828**	1,801
Average provisional invoice price	$/oz	**1,742**	1,791

(iv) Molybdenum concentrate

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

		At 31.12.2022	At 31.12.2021
Sales provisionally priced at the balance sheet date	Tonnes	**2,500**	2,400
Average mark-to-market price	$/lb	**26.10**	18.60
Average provisional invoice price	$/lb	**22.20**	19.65

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	
	Year ended 31.12.2022	Year ended 31.12.2021
	$m	$m
Los Pelambres - copper concentrate	**38.0**	12.0
Los Pelambres - molybdenum concentrate	**12.6**	(5.7)
Centinela - copper concentrate	**19.9**	5.2
Centinela - molybdenum concentrate	**7.6**	(0.7)
Centinela - gold in concentrate	**2.7**	0.4
Centinela - copper cathodes	**0.8**	0.3
Antucoya - copper cathodes	**0.8**	0.8
	82.4	12.3

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 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)**

	For the year ended 31.12.2021			
	At fair value through profit and loss	At fair value through other comprehensive income	Held at amortised cost	**Total**
Financial assets				
Equity investments	-	8.7	-	8.7
Trade and other receivables	1,011.7	-	83.3	1,095.0
Cash and cash equivalents	-	-	743.4	743.4
Liquid investments	2,969.7	-	-	2,969.7
	3,981.4	8.7	826.7	4,816.8
Financial liabilities				
Trade and other payables	**-**	**-**	(835.6)	(835.6)
Borrowings and leases	-	-	(3,172.6)	(3,172.6)
	-	-	(4,008.2)	(4,008.2)

The fair value of the fixed rate bonds included within the "Borrowings and leases" category was $899.4 million at 31 December 2022 compared with its 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 Group has the following financial instruments:

	Year ended 31.12.2022	Year ended 31.12.2021
Financial assets		
Trade and other receivables (non-current) per balance sheet	**51.0**	51.2
Trade and other receivables (current) per balance sheet	**2,087.2**	1,146.1
Total trade and other receivables per balance sheet	**2,138.2**	1,197.3
Less: non-financial assets (including prepayments and VAT receivables)	**(193.5)**	(102.3)
Total trade and other receivables (financial assets)	**1,944.7**	1,095.0
Financial liabilities		
Trade and other payables (current) per balance sheet	**(1,079.7)**	(829.1)
Trade and other payables (non-current) per balance sheet	**(8.0)**	(16.8)
Total trade and other payables per balance sheet	**(1,087.7)**	(845.9)
Less: non-financial liabilities (including VAT payables)	**20.4**	10.3
Total trade and other payables (financial liabilities)	**(1,067.3)**	(835.6)

Fair value of financial instruments

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

	For the year ended 31.12.2022			
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (b)	90.5	-	-	**90.5**
Trade and other receivables (c)	-	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**

	For the year ended 31.12.2021			
	Level 1 $m	**Level 2 $m**	**Level 3 $m**	**Total $m**
Financial assets				
Equity investments (b)	8.7	-	-	8.7
Trade and other receivables (c)	-	1,011.7	-	1,011.7
Liquid investment (e)	-	2,969.7	-	2,969.7
	8.7	3,981.4	-	3,990.1

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

a) Derivatives in designated hedge accounting relationships are valued using a discounted cash flow analysis valuation model, which includes observable credit spreads and using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. These are level 2 inputs as described below. In 2022 nil was hedging instruments in place; and while that in 2021 if had hedging instruments related to commodity and foreign exchange options.

b) 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.

c) 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.

d) The element of cash & 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 year ended 31 December 2022, 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. All derivatives were closed in 2021 and there are none entered into in 2022.

8. Net finance (expense)/income

	Year ended 31.12.2022 $m	Year ended 31.12.2021 $m
Investment income		
Interest receivable	**19.8**	3.4
Gains on liquid investments held at fair value through profit or loss	**20.4**	1.6
	40.2	5.0
Interest expense		
Interest expense	**(78.6)**	(63.4)
	(78.6)	(63.4)
Other finance items		
Unwinding of discount on provisions	**(16.9)**	(6.2)
Adjustment to provision discount rates	**-**	30.8
Effects of changes in foreign exchange rates	**(12.8)**	49.9
Preference dividends	**(0.1)**	(0.1)
	(29.8)	74.4
Net finance (expense)/income	**(68.2)**	16.0

During 2022, amounts capitalised and consequently not included within the above table were as follows: $2.0 million at Centinela (year ended 31 December 2021 - $2.1 million) and $47.0 million at Los Pelambres (year ended 31 December 2021 - $12.1 million).
The interest expense shown above includes $7.1 million in respect of leases (2021 - $7.9 million).

9. Taxation

The tax charge for the period comprised the following:

	Year ended 31.12.2022 $m	Year ended 31.12.2021 $m
Current tax charge		
Corporate tax (principally first category tax in Chile)	**(340.4)**	(560.8)
Mining tax (royalty)	**(83.9)**	(250.0)
Withholding tax	**(24.5)**	(224.7)
	(448.8)	(1,035.5)
Deferred tax		
Corporate tax (principally first category tax in Chile)	**(96.5)**	(237.4)
Mining tax (royalty)	**(9.8)**	0.9
Withholding tax	**(48.5)**	29.7
	(154.8)	(206.8)
Total tax charge (income tax expense)	**(603.6)**	(1,242.3)

The rate of first category (i.e. corporate) tax in Chile is 27.0% (2021 – 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.

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).

	Year ended Excluding exceptional items 31.12.2022		**Year ended Including exceptional items 31.12.2022**		Year ended Excluding exceptional items 31.12.2021		Year ended Including exceptional items 31.12.2021	
	$m	%	$m	%	$m	%	$m	%
Profit before tax	**1,614.2**		**2,558.9**		3,654.7		3,477.1	
Profit before tax multiplied by Chilean corporate tax rate of 27%	**(435.9)**	**27.0**	**(691.0)**	**27.0**	(986.8)	27.0	(938.8)	27.0
Mining Tax (royalty)	**(94.5)**	**5.8**	**(94.5)**	**3.7**	(243.8)	6.7	(243.8)	7.0
Deduction of mining royalty as an allowable expense in determination of first category tax	**23.1**	**(1.4)**	**23.1**	**(0.9)**	67.8	(1.9)	67.8	(1.9)
Items not deductible from first category tax	**(33.9)**	**2.1**	**(33.9)**	**1.3**	(31.6)	0.9	(31.6)	0.9
Adjustment in respect of prior years	**(2.6)**	**0.1**	**(2.6)**	**0.1**	(12.1)	0.3	(12.1)	0.3
Withholding tax	**(73.0)**	**4.6**	**(73.0)**	**2.9**	(195.0)	5.3	(195.0)	5.6
Tax effect of share of profit of associates and joint ventures	**13.0**	**(0.8)**	**13.0**	**(0.5)**	16.1	(0.4)	16.1	(0.5)
Impact of previously unrecognised tax losses on current tax	**0.2**	**-**	**0.2**	**0**	52.5	(1.4)	52.5	(1.5)
Impact of recognition of previously unrecognised tax losses on deferred tax	**-**	**-**	**-**	**-**	-	-	90.6	(2.6)
Provision against carrying value of assets	**-**	**-**	**-**	**-**	-	-	(48.0)	1.4
Gain on disposal of investment in joint venture	**-**	**-**	**255.1**	**(10.0)**	-	-	-	-
Tax expense and effective tax rate for the Year ended	**(603.6)**	**37.4**	**(603.6)**	**23.6**	(1,332.9)	36.5	(1,242.3)	35.7

The effective tax rate excluding exceptional items of 37.4% varied from the statutory rate principally due to the mining tax (royalty) (net impact of $71.4 million / 4.4% including the deduction of the mining tax (royalty) as an allowable expense in the determination of first category tax), the withholding tax relating to the remittance of profits from Chile (impact of $73.0 million / 4.6%), items not deductible for Chilean corporate tax purposes, principally the funding of expenses outside of Chile (impact of $33.9 million / 2.1%), adjustments in respect of prior years (impact of $2.6 million / 0.1%) and the impact of previously unrecognised tax losses (impact of $0.2 million / 0%), partly offset by the impact of 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 $13.0 million / 0.8%).

The impact of the exceptional items on the effective tax rate including exceptional items was $255.1 million / 10%. Further details of the exceptional gain on the disposal of the Group's investment in the Tethyan joint venture, including relevant tax aspects, are set out in Note 14.

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

- In October 2022, the Chilean government announced its updated proposals for a comprehensive reform of the tax system, including proposed changes to the mining royalty. These proposals are subject to review and approval by the Chilean Congress, and so there is no certainty as to the exact nature of changes which may finally be enacted into law.

- 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.

- 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 implementation of the OECD BEPS Pillar 2, which would introduce a minimum effective tax rate of 15% for multinational companies, will be applicable to the Group when brought into relevant legislation. The Group's operations are based in Chile and therefore currently subject to the Chilean first category (corporate) tax rate of 27%, plus withholding taxes on any remittance of profits from Chile. The Group has been assessing the potential impact of the draft UK legislation, and will complete that assessment when the legislation has been finalised.

There are no significant tax uncertainties which would require critical judgements, estimates or potential provisions.

10. Earnings per share

	Year ended 31.12.2022 $m	Year ended 31.12.2021 $m
Profit for the period attributable to equity holders of the Company (exc. exceptional items)	**588.3**	1,404.4
Exceptional Items	**944.7**	(114.2)
Profit for the period attributable to equity holders of the Company (inc. exceptional items) from continuing operations	**1,533.0**	1,290.2
	Number	Number
Ordinary shares in issue throughout each year	**985,856,695**	985,856,695
	Year ended 31.12.2022 US cent	Year ended 31.12.2021 US cent
Basic earnings per share (exc. exceptional items) from continuing operations	**59.7**	142.5
Basic earnings per share (exceptional items) from continuing operations	**95.8**	(11.6)
Basic earnings per share (inc. exceptional items) from continuing operations	**155.5**	130.9

Basic earnings per share are calculated as profit after tax and non-controlling interests, based on 985,856,695 (2021: 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.

Reconciliation of basic earnings per share from continuing operations:

		Year ended 31.12.2022	Year ended 31.12.2021
Profit for the year attributable to equity holders of the Company	$m	**1,533.0**	1,290.2
Profit from continuing operations attributable to equity holders of the Company		**1,533.0**	1,290.2
Ordinary shares	number	**985,856,695**	985,856,695
Basic earnings per share from continuing operations		**155.5**	130.9

11. Dividends

The Board has recommended a final dividend of 50.5 cents per ordinary share or $497.6 million in total (2021 – 118.9 cents per ordinary share or $1,172.1 million in total). The interim dividend of 9.2 cents per ordinary share or $90.7 million in total was paid on 30 September 2022 (2021 interim dividend of 23.6 cents per ordinary share or $232.7 million in total). This gives total dividends proposed in relation to 2022 (including the interim dividend) of 59.7 cents per share or $588,3 million in total (2021 – 142.5 cents per share or $1,404.8 million in total).

Dividends per share actually paid in the year and recognised as a deduction from net equity under IFRS were 128.1 cents per ordinary share or $1,262.9 million in total (2021 – 72.1 cents per ordinary share or $710.8 million in total) being the interim dividend for the year and the final dividend proposed in respect of the previous year.

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 asset

The intangible asset relates to Twin Metals' mining licences assets (included within the corporate segment). As explained in note 3, 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	Accumulated depreciation and impairment	Net book value
	$m	$m	$m
At 1 January 2021	150.1	-	150.1
Provision against carrying value	-	(150.1)	(150.1)
At 31 December 2021	**150.1**	**(150.1)**	**-**
At 31 December 2022	**150.1**	**(150.1)**	**-**

13. Property, plant and equipment

	Mining	Railway and other transport	At 31.12.2022	At 31.12.2021
	$m	$m	$m	$m
Balance at the beginning of the year[1]	10,268.0	270.5	**10,538.5**	9,851.9
Additions	1,946.2	55.8	**2,002.0**	1,855.9
Additions – depreciation capitalised	73.3	-	**73.3**	72.0
Reclassifications	-	-	**-**	(1.6)
Capitalisation of critical spare parts	-	-	**-**	0.9
Capitalisation of interest	49.0	-	**49.0**	14.2
Adjustment to capitalised decommissioning provisions (Note 20)	173.8	-	**173.8**	(119.9)
Depreciation expensed in the year	(1,110.6)	(30.5)	**(1,141.1)**	(1,078.7)
Depreciation capitalised in PP&E	(73.3)	-	**(73.3)**	(72.0)
Net effect of depreciation capitalised in inventories	(71.1)	-	**(71.1)**	54.1
Asset disposals	(7.5)	(0.1)	**(7.6)**	(10.8)
Provision against carrying value of assets	-	-	**-**	(27.5)
Balance at the end of the year	11,247.8	295.7	**11,543.5**	10,538.5

[1] The opening balances have been restated to reflect a $301.3 million reclassification between Railway and other transport and Mining

During the year ended 31 December 2022, 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 $144.4 million (31 December 2021 – $17.9 million), and has accordingly been excluded from the depreciation charge recorded in the income statement as shown in Note 5.

At 31 December 2022, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to $845.1 million (31 December 2021 - $599.3 million).

Depreciation capitalised in property, plant and equipment of $73.3 million related to the depreciation of assets used in mine development (operating stripping) at Centinela, Los Pelambres and Antucoya (at 31 December 2021 – $72.0 million).

14. 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 of those agreements:

- the Reko Diq project in Pakistan (the “Project”) was reconstituted in Reko Diq Mining Company (Private Limited) ("RDMC"). RDMC is the Pakistani registered subsidiary of Tethyan Copper Company Pty Limited ("TCC"), which is itself the Australian registered subsidiary of Atacama Copper Pty Limited (“Atacama”), the joint venture company registered in Australia and owned equally by the Company and Barrick Gold Corporation ("Barrick");
- a consortium of various Pakistani state-owned enterprises acquired shares in RDMC which holds the Project (the "Sale"); and
- as the International Centre for Settlement of Investment Disputes ("ICSID") award (to TCC) was resolved by reconstituting the Project, TCC no longer has any rights or claims against the Governments of Pakistan and Balochistan arising from the suspension of the Project in 2011.

The proceeds of the Sale which, together with accrued interest up to 15 December 2022 totalled US$946.0 million, are currently held by Atacama in a segregated interest-bearing account. Antofagasta and Barrick have agreed that the proceeds of this account, including all further interest received, less any Australian tax arising, will be distributed to the Antofagasta Group during 2023, on a date to be determined by Antofagasta. Atacama is seeking a binding private ruling to confirm that the Sale proceeds and their distribution to the Antofagasta Group will not be subject to Australian tax. The Australian corporate tax rate is 30%. Although Antofagasta will retain its shareholding in Atacama until the proceeds have been distributed, it no longer has any appointees on the board of the joint venture, is not entitled to exercise voting rights in Atacama, and is not required to provide any funding to, or permitted to receive any distributions from, Atacama other than the Sale proceeds. Antofagasta has therefore ceased to have an economic interest in Atacama and its subsidiaries as of 15 December 2022 other than being entitled from that date to receive an amount equal to the Sale proceeds and related interest less any Australian tax arising (whether before or after the distribution). Accordingly, Antofagasta has recognised a gain on disposal of its investment in the joint venture as at 15 December 2022 of $944.7 million, reflecting the Sale proceeds and related interest, working capital and other adjustments and the carrying value of the investment at that date. The proceeds due to Antofagasta have been recognised within Trade and other receivables in the balance sheet.

15. Investment in associates and joint ventures

	ATI[(i)]	Minera Zaldívar[(ii)]	Tethyan Copper[(iii)]	At 31.12.2022	At 31.12.2021
	$m	$m	$m	$m	$m
Balance at the beginning of the year	5.8	900.0	-	**905.8**	914.6
Obligations on behalf of JV and associates at the beginning of the year	-	-	(0.6)	**(0.6)**	(1.1)
Capital contribution	-	-	-	-	9.5
Share of profit/(loss) before tax	2.0	69.3	(0.7)	**70.6**	90.2
Share of tax	(0.5)	(22.0)	-	**(22.5)**	(30.5)
Share of profit/(loss) from JV and associates	1.5	47.3	(0.7)	**48.1**	59.7
Dividends received	-	(50.0)	-	**(50.0)**	(77.5)
Disposal of investment in JV	-	-	1.3	**1.3**	-
Balance at the end of the year	7.3	897.3	-	**904.6**	905.8
Obligations on behalf of JV at the end of the year	-	-	-	-	(0.6)

	ATI[(i)]	Minera Zaldívar(ii)	Tethyan Copper[(iii)]	At 31.12.2022	At 31.12.2021
	$m	$m	$m	$m	$m
Net share of profit from associates and joint ventures	1.5	47.3	(0.7)	48.1	59.7

The investments which are included in the $904.6 million balance at 31 December 2022 are set out below:

Investment in associates

(i) 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

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

(iii) The Group had a 50% interest in Tethyan Copper Company Limited ("Tethyan"), which was a joint venture with Barrick Gold Corporation in respect of the Reko Diq project in the Islamic Republic of Pakistan ("Pakistan"). As explained in Note 14, on 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture and is therefore no longer recognised as a joint venture by the Group.

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

Summarised financial information for the associates at December 2022 is as follows:

	ATI	ATI
	31.12.2022	31.12.2021
	$m	$m
Cash and cash equivalents	**0.4**	1.2
Current assets	**18.2**	13.7
Non-current assets	**91.8**	99.3
Current liabilities	**(19.3)**	(22.5)
Non-current liabilities	**(69.5)**	(75.0)
Revenue	**55.2**	47.2
Profit from continuing operations	**5.1**	1.3
Total comprehensive income	**5.1**	1.3

Summarised financial information for the joint ventures at December 2022 is as follows[2]:

	Total	Total
	31.12.2022	31.12.2021
	$m	$m
Cash and cash equivalents	**70.1**	50.0
Current assets[1]	**661.8**	667.6
Non-current assets	**1,658.6**	1,675.1
Current financial liabilities (excl. trade, other payables and provisions)	**(53.2)**	(54.3)
Current liabilities	**(159.3)**	(175.3)
Non-current financial liabilities (excl. Trade, other payables and provisions)	**(68.3)**	(124.4)
Non-current liabilities	**(203.3)**	(155.2)
Revenue	**783.4**	849.2
Depreciation and amortisation.	**(149.2)**	(163.4)
Interest income	**1.5**	2.3
Interest expense	**(0.8)**	(0.5)
Income tax expense or income	**(43.9)**	(62.1)
Profit/(loss) after tax from continuing and discontinued operations	**94.6**	119.1
Total comprehensive income/(expense)	**94.6**	119.1

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

[2] 2022 includes Minera Zaldívar, comparatives includes Minera Zaldívar and Tethyan Copper.

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. Equity investments

	At 31.12.2022	At 31.12.2021
	$m	$m
Balance at the beginning of the year	**8.7**	11.1
Acquisition	**66.5**	-
Movements in fair value	**15.8**	(2.1)
Foreign currency exchange difference	**(0.5)**	(0.3)
Balance at the end of the year	**90.5**	8.7

Equity investments represent those investments which are not subsidiaries, associates or joint ventures and are not held for trading purposes. The fair value of all equity investments are based on quoted market prices.

17. Inventories

	At 31.12.2022	At 31.12.2021
	$m	$m
Current:		
Raw materials and consumables	**221.4**	155.6
Work in progress	**404.9**	316.5
Finished goods	**81.8**	60.7
	708.1	532.8
Non-current:		
Work in progress	**347.0**	270.4
Total current and non-current inventories	**1,055.1**	803.2

During 2022, no net realisable value ("NRV") adjustment has been recognised (2021 – nil). Non-current work-in-progress represents inventory expected to be processed more than 12 months after the balance sheet date.

18. Borrowings and other financial liabilities

		At 31.12.2022	At 31.12.2021
		$m	$m
Los Pelambres			
Senior loan	(i)	**(1,470.5)**	(1,188.3)
Leases		**(55.3)**	(54.8)
Centinela			
Senior loan	(ii)	**(276.7)**	(386.8)
Leases		**(35.2)**	(59.8)
Antucoya			
Senior loan	(iii)	**(223.5)**	(196.3)
Subordinated debt	(iv)	**(171.5)**	(184.5)
Short-term loan		-	(35.0)
Leases	(v)	**(16.5)**	(23.4)
Corporate and other items			
Senior loan	(vi)	-	(497.3)
Bonds	(vii)	**(985.3)**	(496.1)
Leases	(viii)	**(23.1)**	(20.4)
Railway and other transport services			
Senior loan	(ix)	**(15.3)**	(25.8)
Leases		**(1.6)**	(1.4)
Preference shares	(x)	**(2.5)**	(2.7)
Total		**(3,277.0)**	(3,172.6)

(i) The senior loan at Los Pelambres represents a $1,491 million US dollar denominated syndicated loan divided in three tranches. The first tranche has a remaining duration of 3 years and an interest rate of US LIBOR six-month rate plus 1.05%. The second tranche has a remaining duration of 6 years and an interest rate of US LIBOR six-month rate plus 0.85%. The third tranche has a remaining duration of 5.5 years and an interest rate of US LIBOR six-month rate plus 1.10%. The loans are subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.

(ii) The senior loan at Centinela represents a US dollar denominated syndicated loan with an amount outstanding of $278 million with a duration of 3 years and an interest rate of US LIBOR six-month rate plus 0.95%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.

(iii) The senior loan at Antucoya represents a US dollar denominated syndicated loan with an amount outstanding of $225 million. This loan has a remaining duration of 4 years and has an interest rate of Term SOFR six-month rate plus 1.40%. The loan is subject to financial covenants which require that specified net debt to EBITDA and EBITDA to finance expense ratios are maintained.

(iv) The subordinated debt at Antucoya is US dollar denominated, provided to Antucoya by Marubeni Corporate with a remaining duration of 4 years and an interest rate of US LIBOR six-month rate plus 3.65%. Subordinated debt provided by Group companies to Antucoya has been eliminated on consolidation.

(v) The finance leases at Antucoya are denominated in US dollars with an average interest rate of US LIBOR six-month rate plus 2.0% and a remaining duration of 1.5 years.

(vi) During the year ended 31 December 2022 Antofagasta plc made a $500 million repayment of the senior loan.

(vii) The bonds at Corporate reflect two corporate bonds – a $500 million 2.375% corporate bond due in 2030 and a $500 million 5.625% corporate bond due in 2032.

(viii) The finance leases at Corporate and other items are denominated in Unidades de Fomento (i.e. inflation-linked Chilean pesos) and have a remaining duration of 4 years and are at fixed rates with an average interest rate of 5.2%.

(ix) The long-term loans at the Transport division are US dollar denominated, with an outstanding amount of $15 million and a remaining duration of 1 year and an interest rate of US LIBOR six-month rate plus 1.06%.

(x) The preference shares are Sterling-denominated and issued by Antofagasta plc. There are 2 million shares of £1 each authorised, issued and fully paid. The preference shares are non-redeemable and are entitled to a fixed cumulative dividend of 5% per annum. On winding up they are entitled to repayment and any arrears of dividend in priority to ordinary shareholders, but are not entitled to participate further in any surplus. Each preference share carries 100 votes in any general meeting of the Company.

	At 31.12.2022	At 31.12.2021
	$m	$m
Short-term borrowings	**(432.5)**	(337.1)
Medium and long-term borrowings	**(2,844.5)**	(2,835.5)
Total	**(3,277.0)**	(3,172.6)

At 31 December 2022, $1,129.0 million (31 December 2021 - $642.7 million) of the borrowings has fixed rate interest and $2,148.0 million (December 2021 - $2,529.9 million) has floating rate interest.

On December 30, 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 year 2022.

	Facility available		**Drawn**		**Undrawn**	
	2022	2021	**2022**	2021	**2022**	2021
	$m	$m	**$m**	$m	**$m**	$m
Revolving credit facility	(500.0)	-	-	-	-	-

19. Post-employment benefit obligation

	At 31.12.2022	At 31.12.2021
	$m	$m
Balance at the beginning of the year	**(107.5)**	(123.2)
Current service cost	**(19.1)**	(19.8)
Unwinding of discount on provisions	**(6.8)**	(3.6)
Actuarial (losses)/gains	**(18.1)**	3.1
Paid in the year	**12.7**	16.4
Foreign currency exchange difference	**1.5**	19.6
Balance at the end of the year	**(137.3)**	**(107.5)**

The post-employment benefit obligation relates to the provision for severance indemnities which are payable when an employment contract comes to an end, in accordance with normal employment practice in Chile and other countries in which the Group operates. The severance indemnity obligation is treated as an unfunded defined benefit plan, and the calculation is based on valuations performed by an independent actuary.

20. Decommissioning and restoration and other long-term provisions

	At 31.12.2022	At 31.12.2021
	$m	$m
Balance at the beginning of the year	**(336.1)**	(520.2)
Charge to operating profit in the year	**(15.4)**	(11.3)
Unwinding of discount to net interest in the year	**(10.1)**	(2.6)
Adjustment to provision discount rates	**(1.6)**	30.8
Capitalised adjustment to provision	**(173.8)**	119.9
Utilised in the year	**49.7**	33.8
Foreign currency exchange difference	**(0.9)**	13.5
Balance at the end of the year	**(488.2)**	(336.1)

	At 31.12.2022	At 31.12.2021
	$m	$m
Short-term provisions	**(33.2)**	(33.8)
Long-term provisions	**(455.0)**	(302.3)
Total	**(488.2)**	(336.1)

Decommissioning and restoration costs relate to the Group's mining operations. Costs are estimated on the basis of a formal closure plan and are subject to regular independent formal review by Sernageomin, the Chilean government agency which regulates the mining industry in Chile. During 2022, the Centinela and Antucoya provisions were updated to reflect new plans approved by Sernageomin during the year. The provision balance reflects the present value of the forecast future cash flows expected to be incurred in line with the closure plans, discounted using Chilean real interest rates with durations corresponding with the timings of the closure activities. At 31 December 2022, the real discount rates ranged from 1.67% to 1.73% (31 December 2021: 2.3% to 2.5%).

It is estimated that the provision will be utilised from 2023 until 2066 based on current mine plans, with approximately 15% of the total provision balance expected to be utilised between 2023 and 2031, approximately 49% between 2032 and 2041, approximately 10% between 2042 and 2051 and approximately 26% between 2052 and 2066.

Given the long-term nature of these balances, it is possible that future climate risks could impact the appropriate amount of these provisions, both in terms of the nature of the decommissioning and site rehabilitation activities that are required, or the costs of undertaking those activities. The Group discloses in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This process included scenario analyses assessing the impact of transition and physical risks. As a simple high-level sensitivity, we have considered whether the level of estimated costs relating to the potential future risks identified under the scenario analysis could indicate a general level of future cost increases as a consequence of climate risks which could indicate a significant potential impact on these provision balances. This analysis did not indicate a significant potential impact on the decommissioning and restoration provision balances. However, more detailed specific analysis of the potential impacts of climate risks in future periods could result in adjustments to these provision balances. When future updates to the closure plans are prepared and submitted to Sernageomin for review and approval, it is possible that additional consideration of potential climate risk impacts may need to be incorporated into the plan assumptions. In addition, Sernageomin may introduce new regulations or guidance in respect of climate risks which may need to be addressed in future updates to the Group's closure plans.

21. Deferred tax assets and liabilities

	At 31.12.2022	At 31.12.2021
	$m	$m
Net deferred tax position at the beginning of the year	**(1,315.7)**	(1,106.4)
Charge to tax on profit in year	**(154.8)**	(297.4)
Exceptional items	**-**	90.6
Deferred tax recognised directly in equity	**5.7**	(2.5)
Net deferred tax position at the end of the year	**(1,464.8)**	(1,315.7)

Analysed between:		
Net deferred tax assets	**78.5**	96.8
Net deferred tax liabilities	**(1,543.3)**	(1,412.5)
Net deferred tax position	**(1,464.8)**	(1,315.7)

At 31 December 2022, the Group had unused tax losses associated with Chilean entities (predominantly Antucoya) of $460.3 million (2021 – $472.5 million) available for offset against future profits. Generally under Chilean tax law most tax losses can be carried forward indefinitely. A deferred tax asset of $124.5 million has been recognised in respect of 100% of these losses as at 31 December 2022 (31 December 2021 – $127.6 million). In addition, at 31 December 2022, the Group had unused tax losses associated with entities outside of Chile (predominantly in respect of the Twin Metals project) of $427.0 million (2021 – $428.0 million). A portion of the Twin Metals tax losses expire in the period from 2030 – 2037, and the remainder can be carried forward indefinitely.

At 31 December 2021, the Group recognised $90.6 million of previously unrecognised deferred tax assets relating to tax losses available for offset against future profits, reflecting the improved actual and forecast profitability of the relevant Group entity (Antucoya). That entity has continued to generate taxable profits during 2022, utilising $10.9 million of the deferred tax asset during the year.

At 31 December 2022, deferred withholding tax liabilities of $49.5 million have been recognised (31 December 2021 - $23.1 million) which relate to undistributed earnings of subsidiaries where it is considered likely that the corresponding profits will be distributed in the foreseeable future. The value of the remaining undistributed earnings of subsidiaries, for which deferred tax liabilities have not been recognised, because the Group is in a position to control the timing of the distributions and it is likely that distributions will not be made in the foreseeable future, was $6,430.4 million (31 December 2021 – $6,483 million). If deferred withholding tax liabilities were recognised in respect of all of these remaining undistributed earnings of subsidiaries this would result in an additional deferred tax liability and expense of approximately $1,076.5 million (31 December 2021 – $1,232.1 million).

Temporary differences arising in connection with interests in associates are insignificant.

The deferred tax balance of $1,464.8 million (2021 – $1,315.7 million) includes $1,404.7 million (2021 – $1,272.6 million) due in more than one year.

All amounts are shown as non-current on the face of the balance sheet as required by IAS 12 Income Taxes.

22. Share capital and share premium

There was no change in share capital or share premium in the year ended 2022 or 2021. Details are shown in the Consolidated Statement of Changes in Equity.

23. Other reserves and retained earnings

	At 31.12.2022	At 31.12.2021
	$m	$m
Hedging reserve (1)		
At 1 January	-	(23.9)
Parent and subsidiaries' net cash flow hedge fair value losses	-	(100.4)
Parent and subsidiaries' net cash flow hedge losses transferred to the income statement	-	126.8
Tax on the above	-	(2.5)
At 31 December	-	-
Equity investment revaluation reserve (2)		
At 1 January	**(7.4)**	(5.3)
Gains/(losses) on equity investment	**15.8**	(2.1)
At 31 December	**8.4**	(7.4)
Foreign currency translation reserve (3)		
At 1 January	**(3.0)**	(1.4)
Currency translation adjustment	**(0.4)**	(1.6)
At 31 December	**(3.4)**	(3.0)
Total other reserves per balance sheet	**5.0**	(10.4)
Retained earnings		
At 1 January	**8,071.6**	7,492.2
Parent and subsidiaries' profit for the year	**1,484.9**	1,230.5
Equity accounted units' profit after tax for the year	**48.1**	59.7
Actuarial (losses)/gains (4)	**(8.2)**	-
Total comprehensive income for the year	**1,524.8**	1,290.2
Dividends paid	**(1,262.9)**	(710.8)
At 31 December	**8,333.5**	8,071.6

(1) The hedging reserve records gains or losses on cash flow hedges that are recognised initially in equity, as described in Note 7.
(2) The equity investment revaluation reserves record fair value gains or losses relating to equity investments, as described in Note 16.
(3) Exchange differences arising on the translation of the Group's net investment in foreign-controlled companies are taken to the foreign currency translation reserve.
(4) Actuarial gains or losses relate to long-term employee benefits, as described in Note 19.

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

	At 31.12.2022	At 31.12.2021
	$m	$m
Profit before tax	**2,558.9**	3,477.1
Depreciation and amortisation	**1,141.1**	1,078.7
Net loss on disposals	**2.1**	9.2
Net finance expense/(income)	**68.2**	(16.0)
Share of profit of associates and joint ventures	**(48.1)**	(59.7)
Gain on disposal of investment in joint venture	**(944.7)**	-
Provision against carrying value of assets	**-**	177.6
(Increase)/decrease in inventories	**(180.7)**	10.9
Decrease /(increase) in debtors	**27.0**	(206.8)
Increase in creditors	**141.0**	55.7
Decrease in provisions	**(26.5)**	(19.0)
Cash flow from operations	**2,738.3**	4,507.7

25. Analysis of changes in net debt

	At 31.12.2021 $m	Cash flows $m	Fair value gains $m	New leases $m	Amortisation of finance costs $m	Capitalisation of interest $m	Other $m	Reclassification $m	Foreign exchange $m	**At 31.12.2022 $m**
Cash and cash equivalents	743.4	65.6	-	-	-	-	-	-	1.4	**810.4**
Liquid investments	2,969.7	(1,388.9)	-	-	-	-	-	-	-	**1,580.8**
Total	3,713.1	(1,323.3)	-	-	-	-	-	-	1.4	**2,391.2**
Borrowings due within one year	(268.0)	373.9	-	-	-	-	-	(483.3)	-	**(377.4)**
Borrowings due after one year	(2,742.1)	(488.5)	-	-	(11.7)	(6.3)	(0.1)	483.3	-	**(2,765.4)**
Leases due within one year	(69.1)	105.4	-	-	-	-	-	(80.7)	(10.7)	**(55.1)**
Leases due after one year	(90.7)	-	-	(51.3)	-	-	(1.0)	80.7	(14.3)	**(76.6)**
Preference shares	(2.7)	-	-	-	-	-	-	-	0.2	**(2.5)**
Total borrowings	(3,172.6)	(9.2)	-	(51.3)	(11.7)	(6.3)	(1.1)	-	(24.8)	**(3,277.0)**
Net cash/(debt)	540.5	(1,332.5)	-	(51.3)	(11.7)	(6.3)	(1.1)	-	(23.4)	**(885.8)**

Net (debt)/ cash

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

	At 31.12.2022	At 31.12.2021
	$m	$m
Cash, cash equivalents and liquid investments	**2,391.2**	3,713.1
Total borrowings and other financial liabilities	**(3,277.0)**	(3,172.6)
Net (debt)/cash	**(885.8)**	540.5

26. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates and joint ventures are disclosed below.

The transactions which Group companies entered into with related parties who are not members of the Group are set out below. There are no guarantees given or received and no provisions for doubtful debts related to the amount of outstanding balances.

a) Quiñenco SA

Quiñenco SA ("Quiñenco") is a Chilean financial and industrial conglomerate, the shares of which are traded on the Santiago Stock Exchange. The Group and Quiñenco are both under the control of the Luksic family, and two Directors of the Company, Jean-Paul Luksic and Andronico Luksic, who are also directors of Quiñenco.
The following transactions took place between the Group and the Quiñenco group of companies, all of which were on normal commercial terms at market rates:

- the Group earned interest income of $0.8 million (2021 – $0.1 million) during the year on investments with BanChile Corredores de Bolsa SA, a subsidiary of Quiñenco. Investment balances at the end of the year were nil (2021 – $2.2 million);
- the Group made purchases of fuel from ENEX SA, a subsidiary of Quiñenco, of $309.9 million (2021 – $263.9 million). The balance due to ENEX SA at the end of the year was $28.6 million (2021 – $20.4 million).
- the Group purchased shipping services from Hapag Lloyd, an associate of Quiñenco, for $ 12.7 million (2021 – $8.9 million). The balance due to Hapag Lloyd at the end of the year was $ 0.3 million (2021 –$0.4 million).
- the Group made purchases of technology services from ARTIKOS CHILE SA, a subsidiary of Quiñenco, of $0.2 million (2021 – $0.2 million). The balance due to ARTIKOS CHILE SA at the end of the year was nil (2021 – nil).

b) Compañía de Inversiones Adriático SA

In 2022, the Group leased office space on normal commercial terms from Compañía de Inversiones Adriático SA, a company in which members of the Luksic family have an interest, at a cost of $0.4 million (2021 - $0.8 million)

c) Antomin 2 Limited and Antomin Investors Limited

The Group holds a 51% interest in Antomin 2 Limited ("Antomin 2") and Antomin Investors Limited ("Antomin Investors"), which own a number of copper exploration properties. The Group originally acquired its 51% interest in these properties for a nominal consideration from Mineralinvest Establishment, which continues to hold the remaining 49% of Antomin 2 and Antomin Investors. Mineralinvest is owned by the E. Abaroa Foundation, in which members of the Luksic family have an interest. During 2022, the Group incurred $0.1 million (2021 - $0.1 million) of exploration costs at these properties.

d) Tethyan Copper Company Limited

On 15 December 2022 Antofagasta entered into definitive agreements to exit its interest in the Tethyan joint venture, which is therefore no longer recognised as a joint venture by the Group. The group contributed nil (2021 - $9.5 million) to Tethyan during 2022.

e) Compañía Minera Zaldívar SpA

The Group has a 50% interest in Zaldívar, which is a joint venture with Barrick Gold Corporation. Antofagasta is the operator of Zaldívar. The balance due from Zaldívar to group companies at the end of the year was $6.7 million (2021 – $2.5 million). During 2022, Zaldívar declared dividends of $50.0 million to the Group (2021 - $77.5 million).

27. 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.

28. Currency translation

Assets and liabilities denominated in foreign currencies are translated into US dollars and sterling at the year-end rates of exchange. Results denominated in foreign currencies have been translated into US dollars at the average rate for each year.

	2022	2021
Year-end rate	\$1.208=£1; \$1 = Ch\$855.9	\$1.349=£1; \$1 = Ch\$844.7
Average rates	\$1.234=£1; \$1 = Ch\$872.4	\$1.375=£1; \$1 = Ch\$759.8

29. Distribution

The Annual Report and Financial Statements for the year ended 31 December 2022, together with the Notice of the 2022 Annual General Meeting, will be posted to all shareholders in April 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 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	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**

For the year ended 31 December 2021

	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)	2,240.5	1,260.6	238.3	-	(280.8)	(89.0)	3,369.6	31.8	3,401.4
Depreciation	281.8	654.7	98.3	-	-	13.0	1,047.8	30.9	1,078.7
Loss on disposals	3.7	4.0	0.5	-	-	-	8.2	1.0	9.2
Provision against the carrying value of assets[1]	-	-	-	-	177.6	-	177.6	-	177.6
EBITDA from subsidiaries	2,526.0	1,919.3	337.1	-	(103.2)	(76.0)	4,603.2	63.7	4,666.9
Proportional share of the EBITDA from associates and JVs	-	-	-	172.8	-	(8.0)	164.8	4.5	169.3
Total EBITDA	2,526.0	1,919.3	337.1	172.8	(103.2)	(84.0)	4,768.0	68.2	4,836.2

1. An impairment has been recognised as at 31 December 2021 in respect of the $177.6 million of intangible assets and property, plant and equipment relating to the Twin Metals project, presented as an exceptional item.

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 is 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 an expense and part of the total cash cost figure.

	At 31.12.2022	At 31.12.2021
Reconciliation of cash costs excluding treatment & refining charges and by-product revenue:		
Total Group operating costs (Note 5) ($m)	**4,227.7**	4,068.7
Zaldívar operating costs (attributable basis – 50%)	**234.4**	231.7
Less:		
Depreciation and amortisation (Note 5) ($m)	**(1,141.1)**	(1,078.7)
Loss on disposal (Note 5) ($m)	**(2.1)**	(9.2)
Provision against the carrying value of assets	**-**	(177.6)
Elimination of non-mining operations		
Corporate and other items – Total operating cost (Note 5) ($m)	**(75.0)**	(76.0)
Exploration and evaluation – Total operating cost (Note 5) ($m)	**(113.0)**	(103.2)
Transport division – Total operating cost (Note 5) ($m)	**(119.1)**	(106.3)
Closure provision and other expenses not included within cash costs ($m)	**(97.6)**	(90.7)
Inventories variations	**(12.0)**	2.1
Total cost relevant to the mining operations' cash costs ($m)	**2,902.2**	2,660.8
Copper production volumes (tonnes)[1]	**646,200**	721,450
Cash costs excluding treatment & refining charges and by-product revenue ($/tonne)	**4,491**	3,688
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.05**	1.68

	At 31.12.2022	At 31.12.2021
Reconciliation of cash costs before deducting by-products revenue:		
Treatment & refining charges - copper and by-products- Los Pelambres	**108.5**	115.4
Treatment & refining charges - copper and by-products- Centinela	**78.8**	70.4
Treatment & refining charges - copper – total	**187.3**	185.8
Copper production volumes (tonnes)[1]	**646,200**	721,450
Treatment & refining charges ($/tonne)	**289.9**	257.6
Treatment & refining charges ($/lb)	**0.14**	0.11
Cash costs excluding treatment & refining charges and by-product revenue ($/lb)	**2.05**	1.68
Treatment & refining charges ($/lb)	**0.14**	0.11
Cash costs before deducting by-products (S/lb)	**2.19**	1.79

[1]The 646,200 tonnes includes 44,500 tonnes of production at Zaldívar on a 50% attributable basis.

c) Cash costs (continued)

	At 31.12.2022	At 31.12.2021
Reconciliation of cash costs (net of by-product revenue):		
Gold revenue - Los Pelambres (Note 5) ($m)	**75.5**	91.2
Gold revenue - Centinela (Note 5) ($m)	**239.0**	346.2
Molybdenum revenue - Los Pelambres (Note 5) ($m)	**311.9**	353.6
Molybdenum revenue - Centinela (Note 5) ($m)	**110.2**	44.4
Silver revenue - Los Pelambres (Note 5) ($m)	**33.1**	46.6
Silver revenue - Centinela (Note 5) ($m)	**25.1**	38.7
Total by-product revenue ($m)	**794.8**	920.7
Copper production volumes (tonnes) [1]	**646,200**	721,450
By-product revenue ($/tonne)	**1,230.0**	1,276.0
By-product revenue ($/lb)	**0.58**	0.59
Cash costs before deducting by-products (S/lb)	**2.19**	1.79
By-product revenue ($/lb)	**(0.58)**	(0.59)
Cash costs (net of by-product revenue) ($/lb)	**1.61**	1.20

[1]The 646,200 tonnes includes 44,500 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.

		December 2022			December 2021	
	Total amount $m	**Attributable share**	**Attributable amount $m**	Total amount $m	Attributable share	Attributable amount $m
Cash, cash equivalents and liquid investments:						
Los Pelambres	**655.4**	**60%**	**393.2**	427.9	60%	256.7
Centinela	**348.5**	**70%**	**244.0**	625.3	70%	437.7
Antucoya	**111.8**	**70%**	**78.3**	181.5	70%	127.1
Corporate	**1,247.0**	**100%**	**1,247.0**	2,436.5	100%	2,436.5
Railway and other transport services	**28.5**	**100%**	**28.5**	41.9	100%	41.9
Total	**2,391.2**		**1,991.0**	3,713.1		3,299.9
Borrowings:						
Los Pelambres (Note 18)	**(1,525.8)**	**60%**	**(915.5)**	(1,243.1)	60%	(745.9)
Centinela (Note 18)	**(311.9)**	**70%**	**(218.3)**	(446.6)	70%	(312.6)
Antucoya (Note 18)	**(411.5)**	**70%**	**(288.1)**	(439.2)	70%	(307.5)
Corporate (Note 18)	**(1,010.9)**	**100%**	**(1,010.9)**	(1,016.5)	100%	(1,016.4)
Railway and other transport services (Note 18)	**(16.9)**	**100%**	**(16.9)**	(27.2)	100%	(27.2)
Total (Note 18)	**(3,277.0)**		**(2,449.7)**	(3,172.6)		(2,409.6)
Net (debt)/cash	**(885.8)**		**(458.7)**	540.5		890.3

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

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

	Production		Sales	
	Year ended 31.12.2022	Year ended 31.12.2021	**Year ended 31.12.2022**	Year ended 31.12.2021
Copper	**´000 tonnes**	´000 tonnes	**´000 tonnes**	´000 tonnes
Los Pelambres	**275.0**	324.7	**271.2**	324.5
Centinela	**247.5**	274.2	**246.1**	276.1
Antucoya	**79.2**	78.6	**80.8**	80.4
Zaldívar (attributable basis – 50%)	**44.5**	44	**44.4**	44.6
Group total	**646.2**	721.5	**642.5**	725.6
Gold	**000 ounces**	000 ounces	**000 ounces**	000 ounces
Los Pelambres	**43.1**	53.2	**42.3**	51.1
Centinela	**133.7**	199.0	**132.3**	193.5
Group total	**176.8**	252.2	**174.6**	244.6
Molybdenum	**000 tonnes**	000 tonnes	**000 tonnes**	000 tonnes
Los Pelambres	**7.2**	9.2	**6.8**	9.2
Centinela	**2.4**	1.3	**2.4**	1.2
Group total	**9.6**	10.5	**9.2**	10.4
Silver	**000 ounces**	000 ounces	**000 ounces**	000 ounces
Los Pelambres	**1,603.8**	1,927.5	**1,562.9**	1,856.8
Centinela	**1,212.1**	1,578.3	**1,184.2**	1565.7
Group total	**2,815.9**	3,505.8	**2,747.1**	3,422.5

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

	Cash costs		Realised prices	
	Year ended 31.12.2022 $/lb	Year ended 31.12.2021 $/lb	**Year ended 31.12.2022 $/lb**	Year ended 31.12.2021 $/lb
Copper				
Los Pelambres	**1.10**	0.89	**3.76**	4.54
Centinela	**1.75**	1.13	**3.89**	4.31
Antucoya	**2.50**	2.04	**3.95**	3.94
Zaldívar (attributable basis – 50%)	**2.39**	2.39	**-**	-
Group weighted average (net of by-products)	**1.61**	1.20	**3.84**	4.37
Group weighted average (before deducting by-products)	**2.19**	1.79		
Group weighted average (before deducting by-products and excluding treatment & refining charges from concentrate)	**2.05**	1.68		
Cash costs at Los Pelambres comprise:				
On-site and shipping costs	**1.66**	1.43		
Treatment & refining charges for concentrates	**0.18**	0.15		
Cash costs before deducting by-product credits	**1.84**	1.59		
By-product credits (principally molybdenum)	**(0.74)**	(0.70)		
Cash costs (net of by-product credits)	**1.10**	0.89		
Cash costs at Centinela comprise:				
On-site and shipping costs	**2.29**	1.75		
Treatment & refining charges for concentrates	**0.15**	0.12		
Cash costs before deducting by-product credits	**2.44**	1.87		
By-product credits (principally gold)	**(0.69)**	(0.74)		
Cash costs (net of by-product credits)	**1.75**	1.13		
LME average copper price			**4.00**	4.23

Gold	$/oz	$/oz
Los Pelambres	**1,785**	1,783
Centinela	**1,806**	1,789
Group weighted average	**1,801**	1,788
Market average price	**1,800**	1,799

Molybdenum	$/lb	$/lb
Los Pelambres	**20.9**	17.5
Centinela	**20.5**	17.2
Group weighted average	**20.8**	17.4
Market average price	**18.7**	15.9

Silver	$/oz	$/oz
Los Pelambres	**21.2**	25.1
Centinela	**21.1**	24.7
Group weighted average	**21.2**	24.9
Market average price	**21.8**	25.2

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, revenue reflects the invoiced amount reflecting the value of the concentrate, and so the TC/RCs form part of this revenue amount. However, under the standard industry definition of cash costs, TC/RCs 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 fourth quarter of 2022, published on 18 January 2023.