

# Working through our value chain to shape tomorrow

GRI 2-6, 2-8, 204-1

## Our stakeholders



**Our people**



**Communities**



**Suppliers**



**Customers**



**Financial investors**



**Governments and regulators**

Mining is a long-term business that can significantly influence neighbouring communities and territories. We aim to achieve a sustainable value chain, responsibly managing our employees, contractors, suppliers, local communities, the environment, customers and financial investors.

Our operations depend on key inputs such as labour, energy, water, sulphuric acid, fuel and services. Managing these inputs can significantly impact operating costs and sustainability, and ensuring the long-term supply of key inputs is vital.

To help improve climate resilience, all our mining operations source 100% of their power from renewable energy contracts. We aim for over 90% of our water consumption to be sea water or reused water by the end of the desalination plant expansion (800 l/s).

In 2024, the Group worked with over 3,900 suppliers of goods and services, with 94% being companies based in Chile.

International suppliers represented 6% of suppliers, and 5% of total expenditure (\$331 million). Japan accounted for 30% of this figure, followed by the United States (28%), Germany (12%) and Peru (9%).

Local suppliers represented 46% of all suppliers and 11% of purchases in 2024.

Purchases were made from companies located in low or medium risk countries<sup>1</sup>.

1. For further information, please see our Modern Slavery Statement.



## Exploration/Investments

At Antofagasta Minerals, we conduct exploration activities to replace mineral resources mined during the year and to provide a platform for long-term growth by developing a pipeline of organic growth options. Our strategy focuses on a mix of near-mine exploration, greenfield projects, and opportunities with third parties in the Americas, particularly in Chile, Peru, the United States, and Canada.

### Projects in this stage

#### Exploration

- **Chile:** The Cachorro Project is located in the western Atacama Desert in northern Chile, 100 km north-east of the city of Antofagasta and 1,100 km north of Santiago (mineral resource of 255 Mt at 1.26% Cu), and The Encierro Project is located in the Chilean High Andes, 100 km east of the city of Vallenar and 600 km north of Santiago. The deposit is a complex Cu-Au-Mo Miocene porphyry copper (mineral resource of 522Mt at 0.65% Cu).
- **United States:** Twin Metals Minnesota is a wholly-owned copper, nickel, and platinum group metals (PGM) underground mining project.

The planned project envisages mining and processing 18,000 tonnes of ore per day for 25 years to produce three separate concentrates – copper, nickel/cobalt and PGM. However, further development of the current project, as configured, is on hold whilst litigation challenging several actions taken by the US federal government to deter its development is resolved by the courts.

#### Investments

- **Buenaventura:** Antofagasta Minerals has beneficial ownership of approximately 19% of the outstanding shares of Compañía de Minas Buenaventura S.A.A. (Buenaventura), which is Peru's largest publicly-traded precious and base metals company and a major holder of mining rights. Buenaventura has a portfolio of operating mines and exploration projects in Peru, in addition to a minority stake in the Cerro Verde copper mine in Peru.

Working through our value chain to shape tomorrow *continued*

### Evaluation

Our design and evaluation process integrates innovative solutions and various economic, social, and environmental criteria. This approach allows us to design more sustainable mine construction and operation plans, maximising value and ensuring meaningful citizen participation.

#### Projects at this stage

- Los Pelambres Development Options Project:** Extension of mine life beyond 2035 by increasing El Mauro's tailings dam capacity, adding at least 15 years. The Environmental Impact Assessment (EIA), submitted in Q4 2024, includes options to increase throughput to an annual average of 205 ktpd (from 190 ktpd) and to enable a modular increase in water requirements by up to 800 l/s after the current expansion. If approved, works are expected to begin after 2030.

- Zaldívar Mine Life Extension and Water**

**Transition project:** The ongoing EIA process aims to extend Zaldívar's mine life to 2051 and transition to a sustainable water supply, using either desalinated water or a third-party source. The project includes processing primary sulphide ore to ensure continued copper production through primary sulphide leaching.



### Construction

The construction phase of a mining project begins once all environmental and sectoral permits and relevant authorisations from state entities have been obtained.

#### Projects at this stage

- Los Pelambres Future Growth Enablers:**

- Has two major components – (1) desalination plant expansion (800 l/s) and (2) new concentrate pipeline and El Mauro facilities.
- Investment: Combined cost of approximately \$2 billion
- Construction timeline: 2024-2027
- Construction workforce: +2,500 (48% local employment) as of 31 December 2024

- Centinelita Second Concentrator Project:**

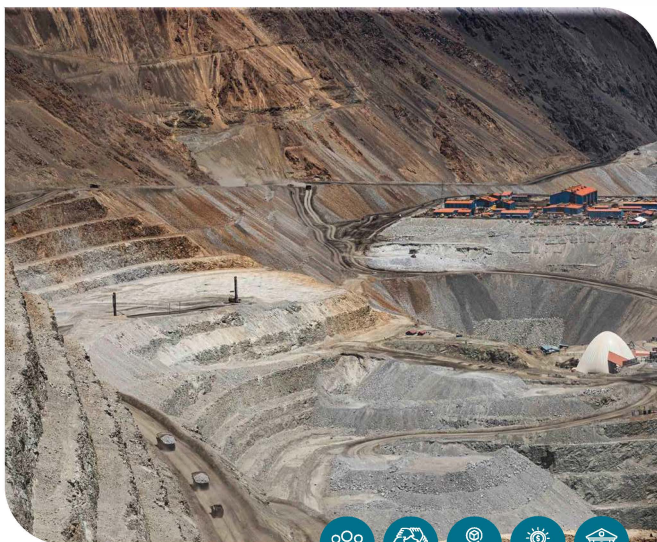
This project includes a new concentration plant, a second thickened tailings deposit and will use sea water to double the mineral processing capacity and extend its lifecycle until 2060.

By the end of 2024, over 1,780 people from the Antofagasta Region had been hired, representing 22% of the total workforce. The project is expected to peak at 13,000 workers. Upon completion in 2027, it is anticipated to increase Centinelita's annual production by 170,000 tonnes of copper equivalent.

- Investment: \$4.4 billion (subsequently reduced by \$380 million to \$4.0 billion following completion of water transaction in June 2024)
- Expected production: annual average of 170,000 tonnes of copper-equivalent output
- Construction timeline: 2024-2027
- Current workforce: + 8,000 (22% local employment) as of 31 December 2024



Working through our value chain to shape tomorrow *continued*



**Extraction and processing**

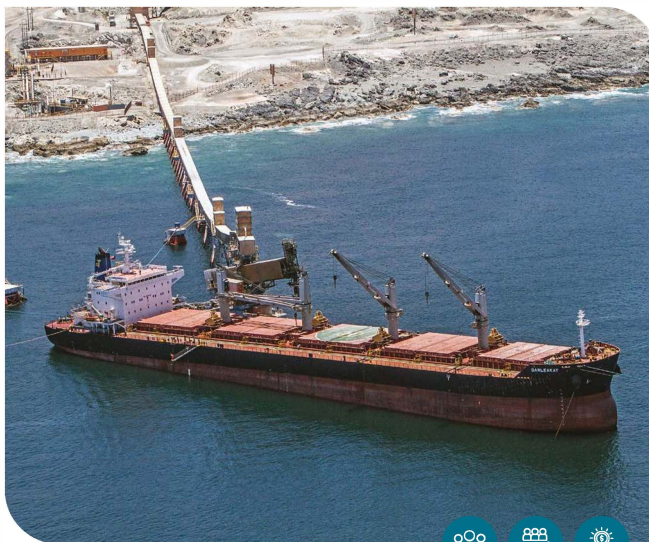
Health and safety, operating efficiency and innovation are key elements of our operations. At Antofagasta Minerals, we mine both sulphide and oxide ores, each of which requires different processing techniques:

**Sulphide ores:** extracted at Los Pelambres and Centinela, it is milled and transferred to flotation cells, where it is upgraded to a concentrate containing 25–35% copper.

**Oxide ores:** mined at Centinela, Antucoya and Zaldívar. This material is combined with leachable sulphide ore, crushed and added to a leach pad before sulphuric acid is applied to produce a solution containing copper. The final stages of processing are solvent extraction and electrowinning (SX-EW), which enable these operations to produce copper cathodes.

**Inputs**

- Energy
- Water
- Labour
- Service contracts
- Fuels and lubricants
- Explosives
- Grinding balls and mill liner
- Sulphuric acid



**Sales and marketing**

We have built long-term relationships with smelters and manufacturers, with approximately 75% of our output (by value) going to Asian markets. Copper concentrate is sold to international smelters for conversion into copper metal. Gold and silver byproducts are marketed for industrial, electronic, and jewellery uses. Molybdenum is used to produce steel alloys, while copper cathodes are sold to manufacturers worldwide.



**Mine closure and rehabilitation**

Mine lifecycle planning includes a site closure and rehabilitation plan, following international standards and national regulations. As required by Chilean law, all our operations have closure plans approved by the National Geology and Mining Service (SERNAGEOMIN), and we have an Integrated Mine closure standard that establishes the procedures to follow.