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VALUE INVESTORS

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At the date of presentation, Magallanes, through the different investment vehicles managed and / or advised, holds a 0,26% stake in the share capital of Antofagasta.

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- 3. Understanding copper market**
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- 6. Final remarks**



1. ABOUT US

- **Equity Long-Only** asset management company, founded in December 2014
- **Independent:** created and controlled by its founding partners
- **Co-investment** with our clients: >20% of AUM internally-owned
- **Family business culture** in the asset management company, in the portfolio and in our investors
- **AUM ≈ €2.5 BN**
- Specialized in one single strategy: **European equity** with a **Value Investing** philosophy, via the following vehicles:
 - European Equity 85%
 - Iberian Equity 10%
 - Microcaps 5%

Aiming to preserve and increase capital in the long-run



2. ANTOFAGASTA AT A GLANCE



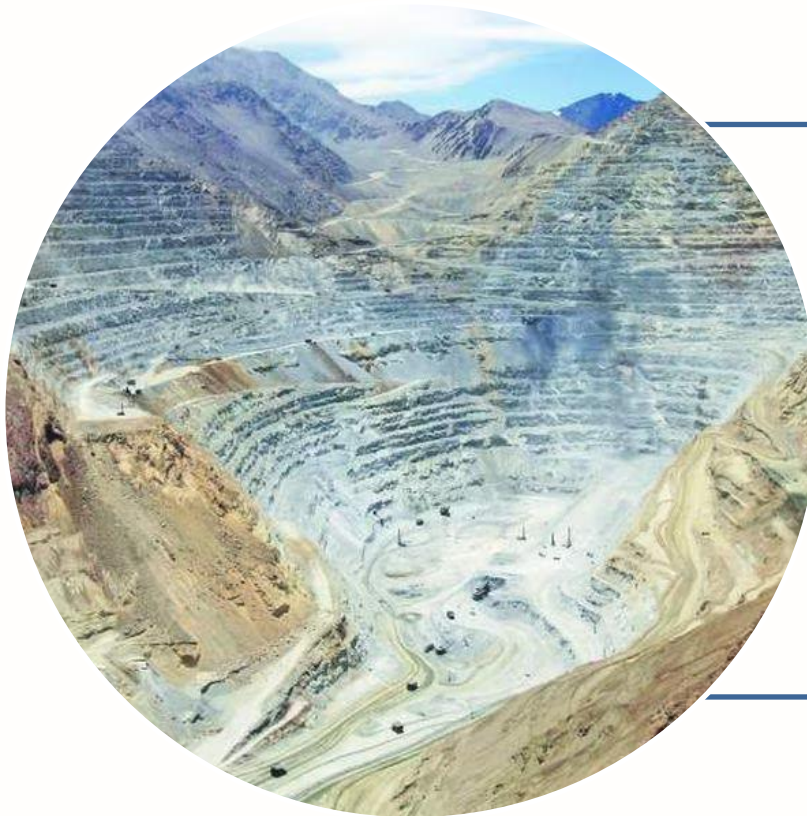
ANTOFAGASTA
MINERALS



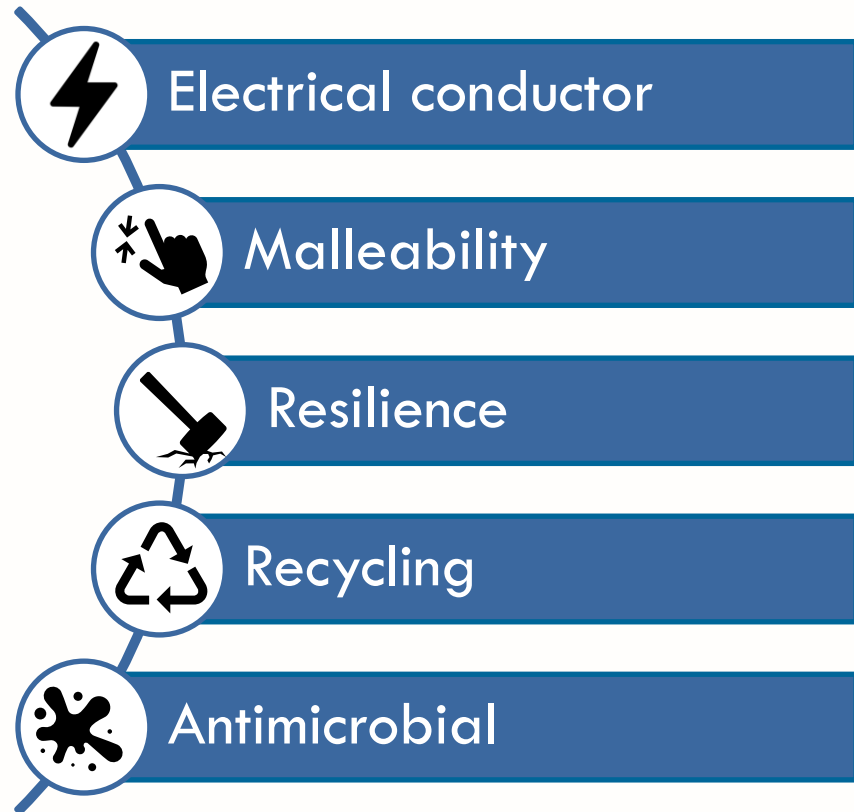
- **Chilean copper company**
- *Four best-in-class mines*
- 2023e copper production **>650ktn**
- Low-mid cost producer **2\$/lb**
- **Strong balance sheet**
- Family-owned business – **Luksic family** – good management team

3. COPPER: NOT AN EASY RIDE

YOU NEED COPPER, IF YOU WANT ALMOST ANYTHING

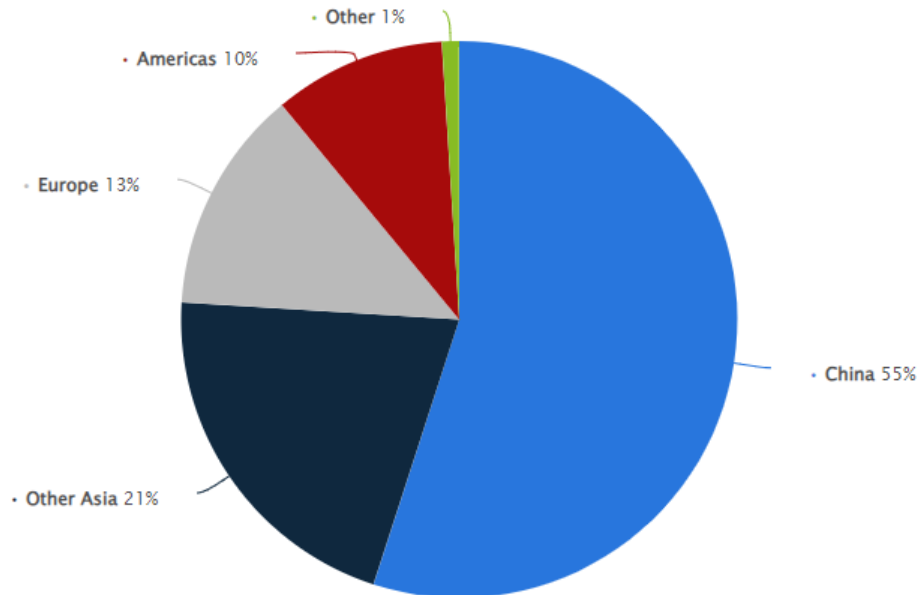


3. COPPER: PROPERTIES AND APPLICATIONS



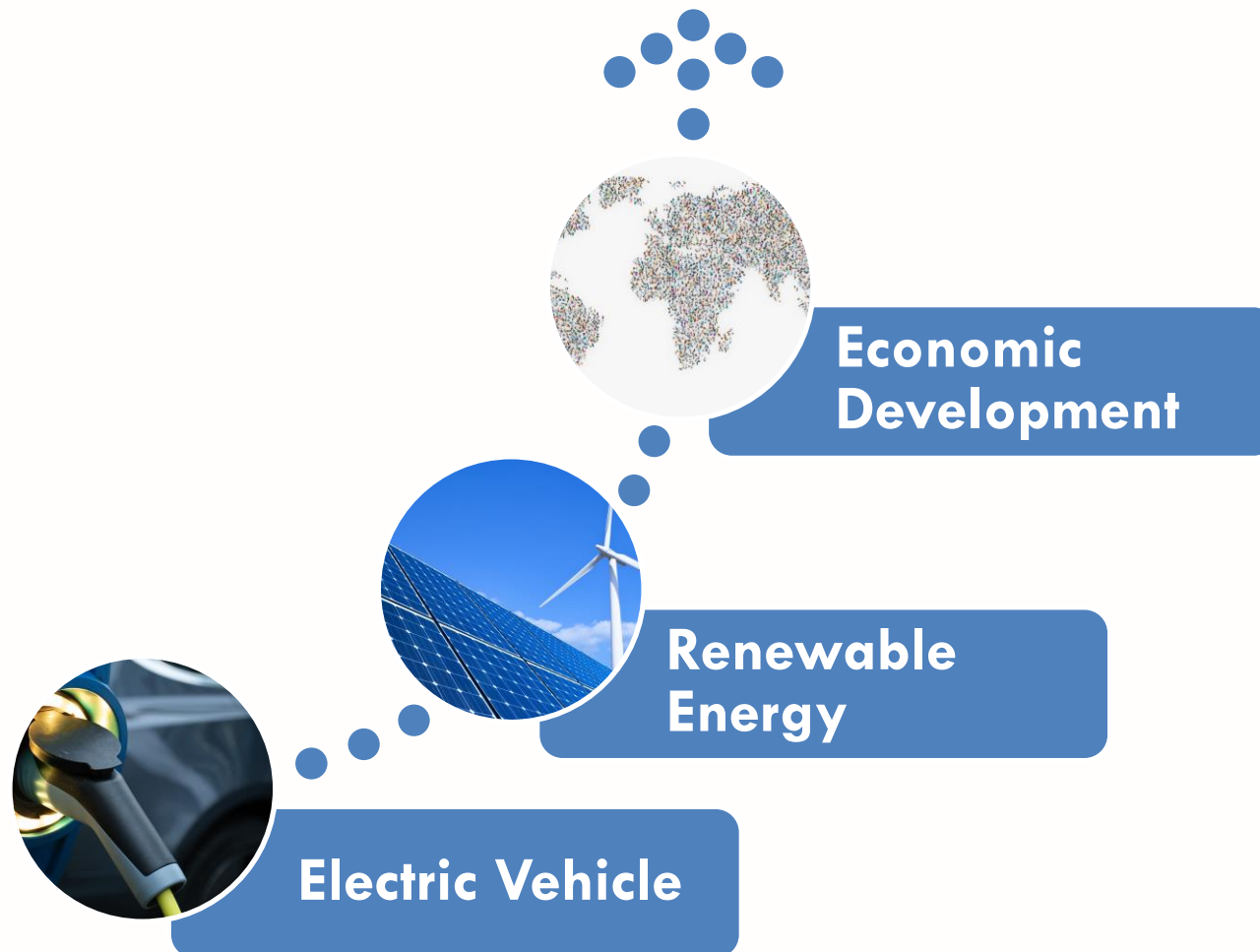
3.1. COPPER: DEMAND

COPPER CONSUMPTION ~ 25 MILLION TONS



Source: Statista

3.1. COPPER: DEMAND – 3 MEGATRENDS





3.1. COPPER: DEMAND – 3 MEGATRENDS IN NUMBERS

2-4x

EVs need 80kg of copper vs 20kg for an internal combustion engine (ICE)

3-10 tonnes

of copper is needed to build 1 MW of wind power

35 million

buildings in the EU could be renovated by 2030

5-6 tonnes

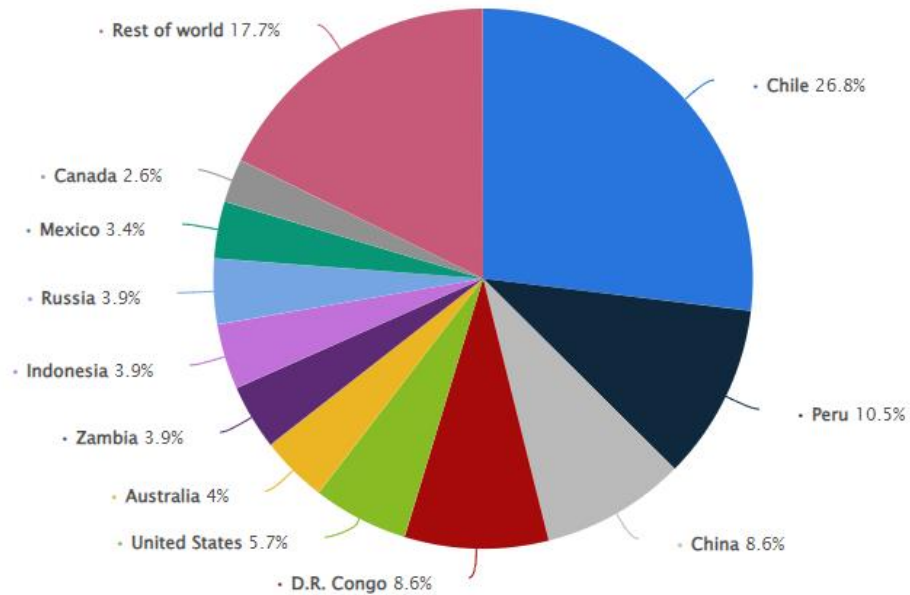
of copper is needed to build 1 MW of solar power

5-6 tonnes

of copper is needed to build 1 MW of energy storage

3.2. COPPER: SUPPLY

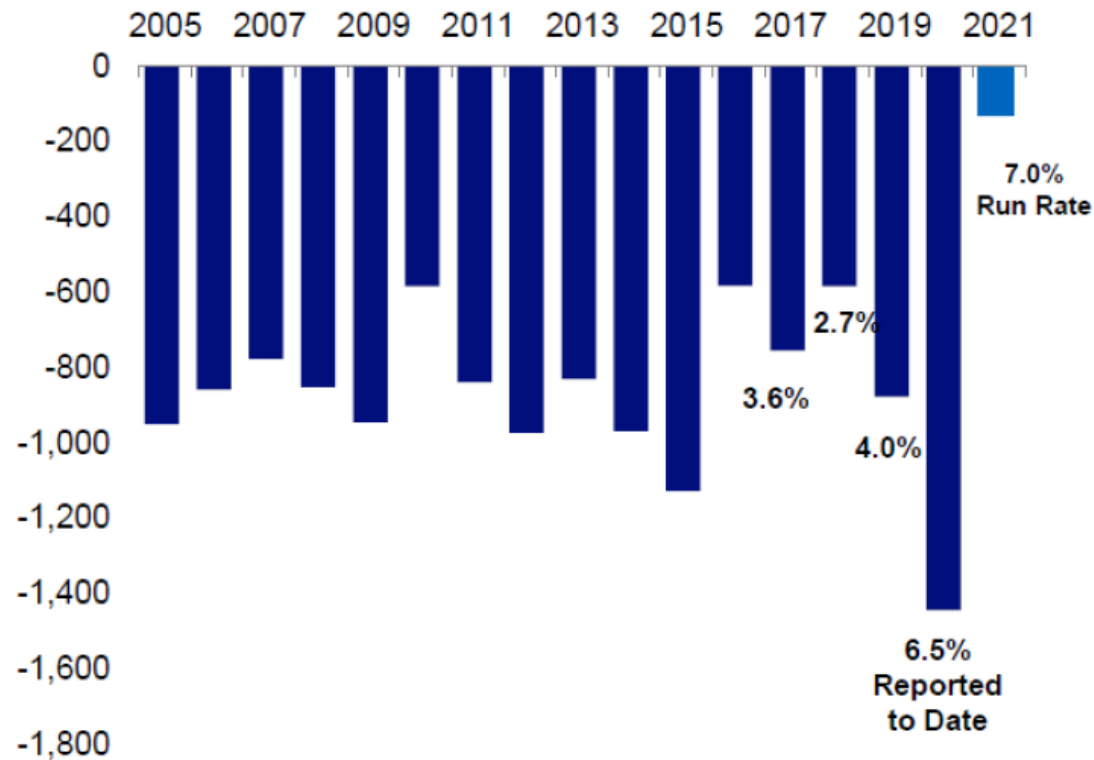
COPPER PRODUCTION ~ 25 MILLION TONS (MINES + SCRAP)



Source: Statista

3.2. COPPER: SUPPLY – DISRUPTIONS ARE THE NORM

Disruption (in '000 tonnes and percent)



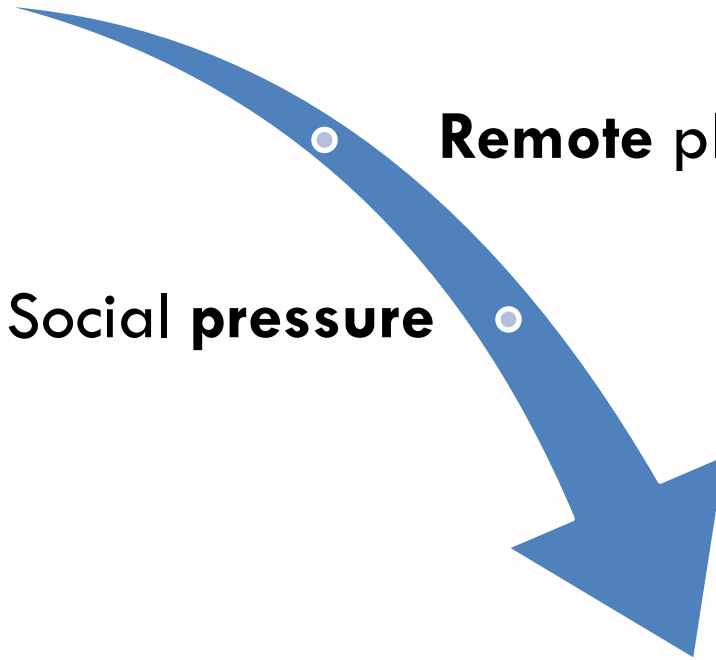
3.2. COPPER: SUPPLY – CHALLENGES

**Declining
ore grades**

Remote places

Social pressure

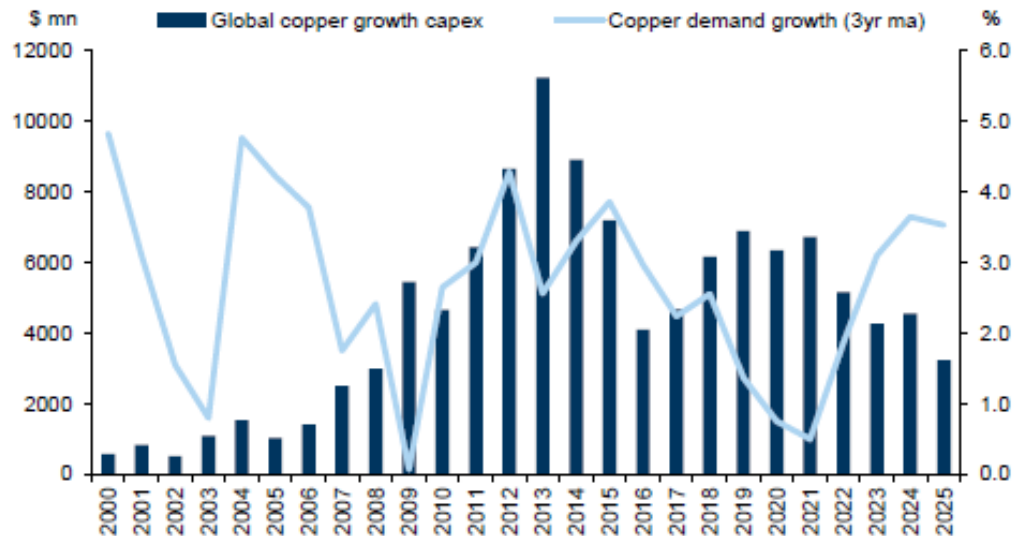
Underinvestment



3.2. COPPER: SUPPLY – CHALLENGES IN NUMBERS

Exhibit 29: Copper growth capex currently fades into mid-decade just demand accelerates on green channel

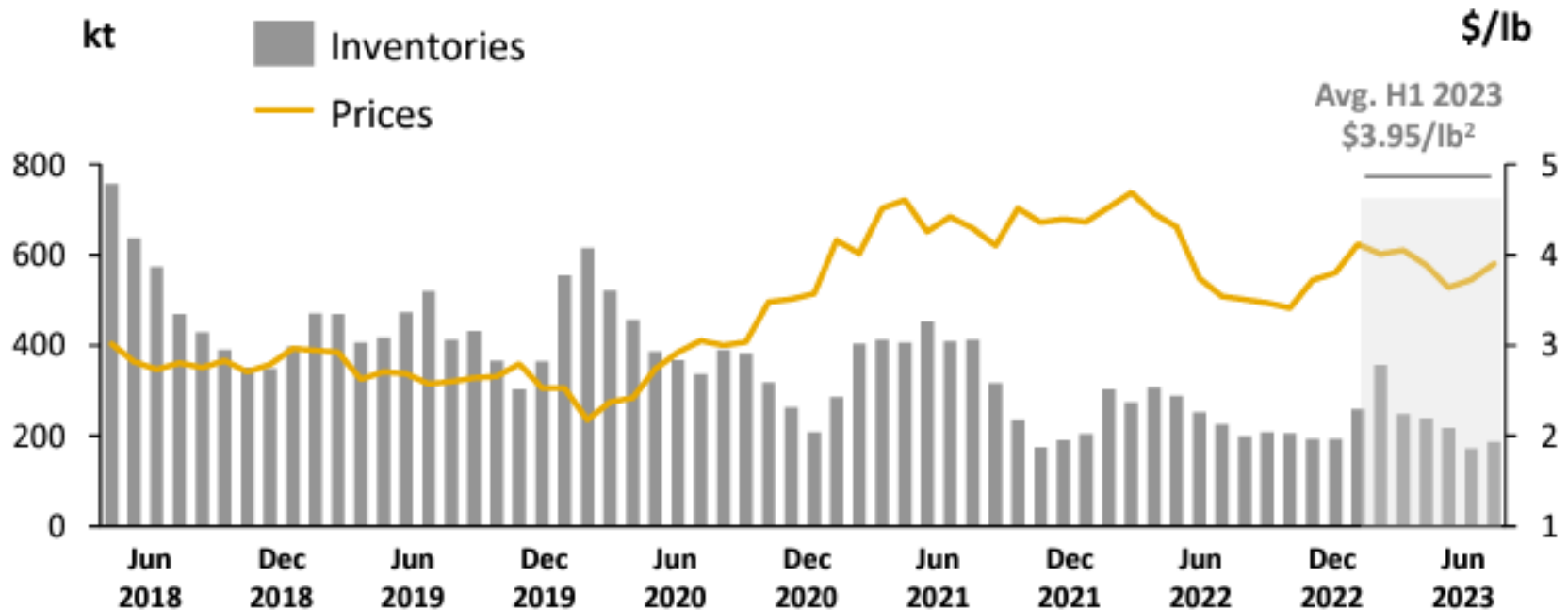
Global copper capex and demand growth



Source: Woodmac, Goldman Sachs Global Investment Research

3.2. COPPER: SUPPLY – VERY LOW INVENTORIES

COPPER PRICE AND INVENTORIES



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

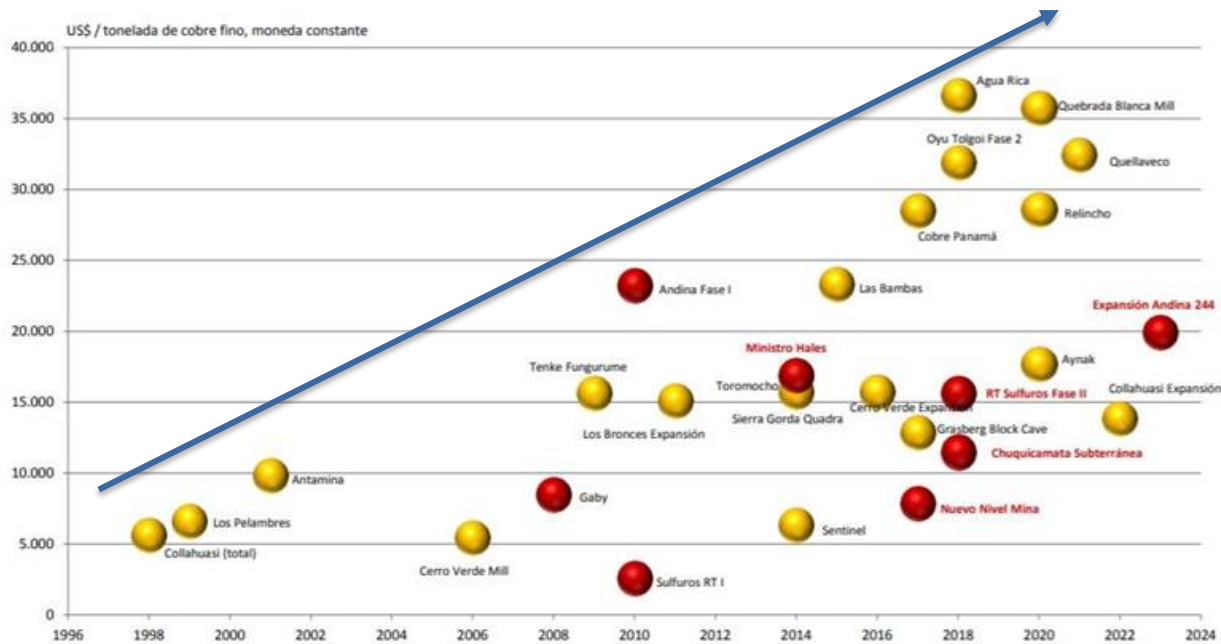
2 Source: Cochilco.

3.3. COPPER: MARKET BALANCE

MORE INVESTMENT = HIGHER INCENTIVE PRICE

Escalamiento en los CAPEX de los proyectos

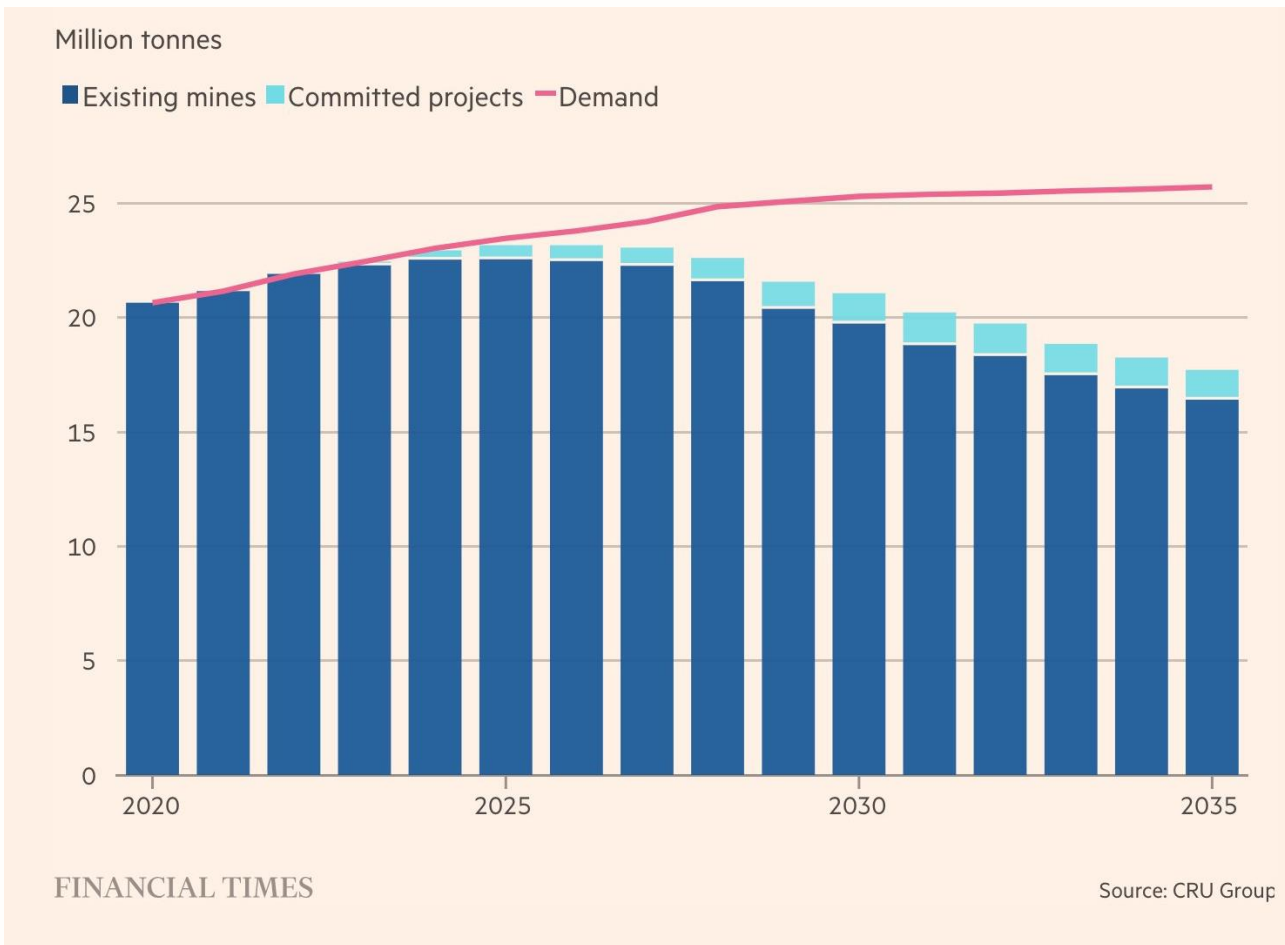
Inversión preproducción sobre producción promedio



Fuente: Wood Mackenzie, CRU y Codelco.

3.3. COPPER: MARKET BALANCE

IF INCENTIVE PRICE IS NOT HIGH ENOUGH (>4\$/lb) → COPPER DEFICIT





4. ANTOFAGASTA: FOUR *BEST-IN-CLASS* MINES

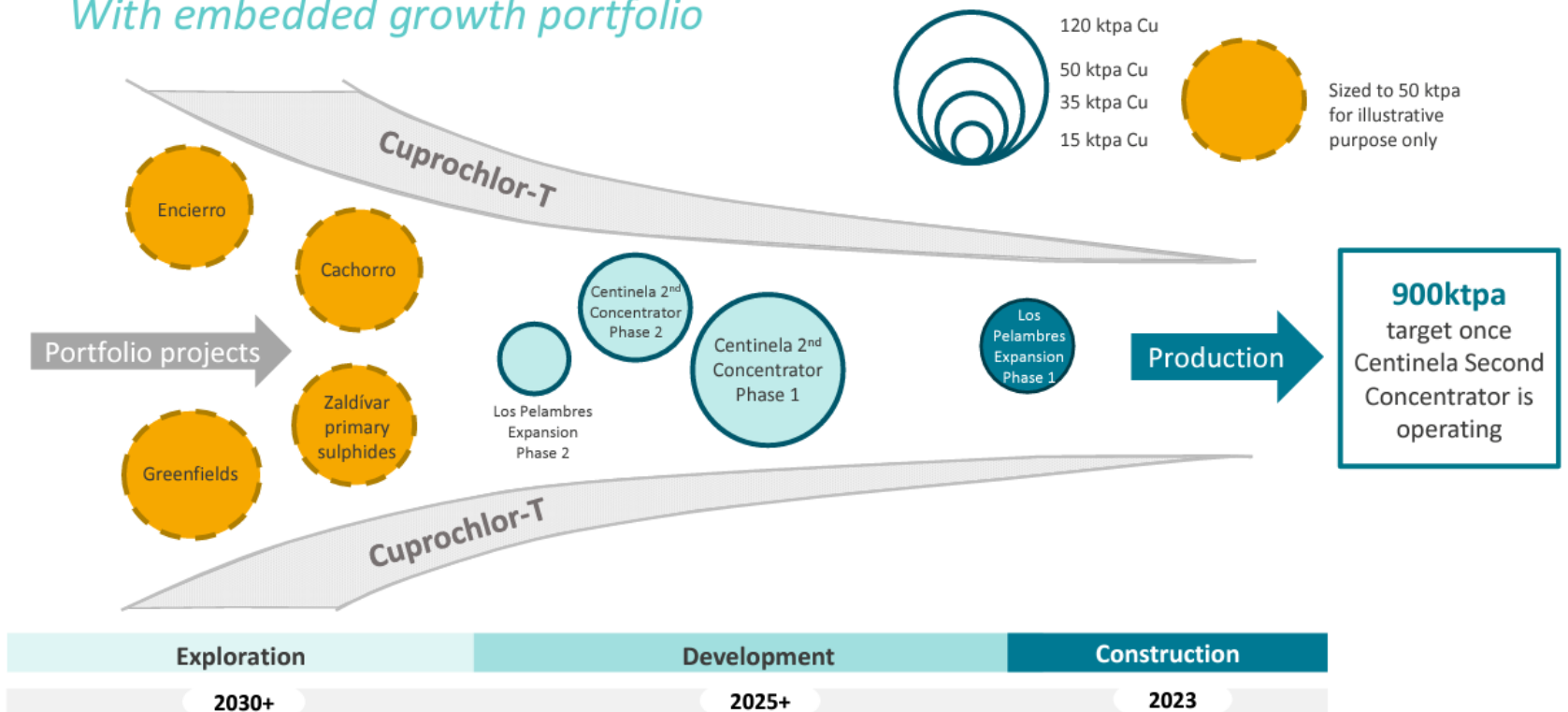
	LOS PELAMBRES	CENTINELA	ANTUCOYA	ZALDÍVAR
STAKE	60%	70%	70%	50%
PRODUCTION 2023e	327.5 ktn	237.5 ktn	72.5 ktn	47.5 ktn
LIFE OF MINE	12 years	43 years	21 years	13 years
ORE GRADE	0.59%	0.40%	0.31%	0.42%
NET CASH COST	1.17\$/lb	1.88\$/lb	2.72\$/lb	2.96\$/lb
BY-PRODUCT	Gold & Molybdenum	Gold & Molybdenum	No	No



4.1. ANTOFAGASTA: ROOM TO GROW

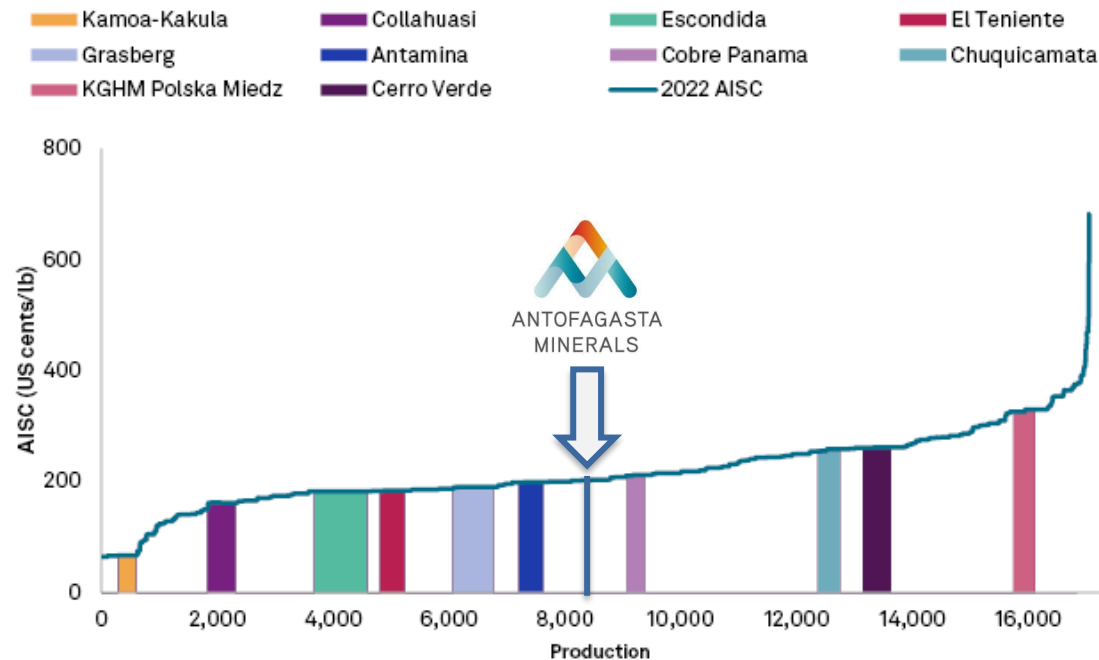
Reliable and responsible copper producer

With embedded growth portfolio



4.2. ANTOFAGASTA: LOW-MID COST PRODUCER (AISC)

10 largest copper properties operating well below 2022 forecast average copper price



As of July 8, 2022.
 AISC = all-in sustaining cost
 Costs presented on a co-product basis
 Source: S&P Global Market Intelligence



4.3. ANTOFAGASTA: THREE PILLARS



Small net debt position 0.5x ND/EBITDA



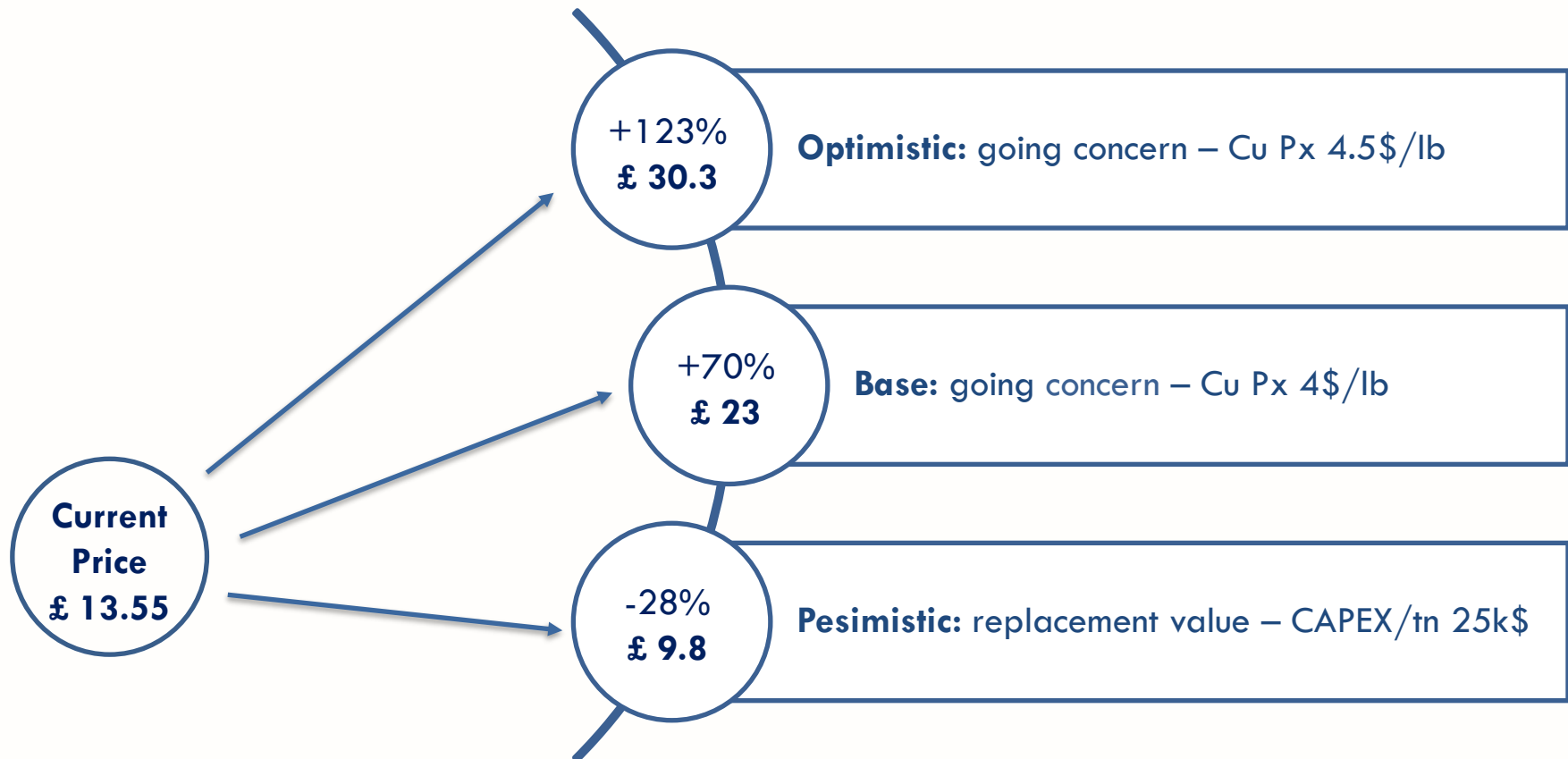
Best-in-class executive team



Luksic Family >60%



5. ANTOFAGASTA: VALUATION



6. FINAL REMARKS: WHAT TO LOOK FOR IN MINING COMPANIES



LEGAL STABILITY



PRODUCER VS JUNIOR



EXPERIENCED MANAGEMENT



SOUND BALANCE SHEET



CHEAP VALUATION





6. A BOOK, SERIES AND PHRASE



“The hardest thing to learn in life is which bridge to cross and which to burn”.- Bertrand Russell

MAGALLANES



VALUE INVESTORS

Signatory of:
 Principles for
Responsible
Investment

THANK YOU

