

NEWS RELEASE, 30 APRIL, 2014

Q1 2014 PRODUCTION REPORT

ON TRACK FOR FULL YEAR GUIDANCE

HIGHLIGHTS

PRODUCTION

- Group production of copper, gold and molybdenum were ahead of internal expectations for the quarter with higher grades at Esperanza
- Group copper production in Q1 2014 was 169,400 tonnes, a 7.4% decrease compared with the previous quarter, principally due to lower plant throughput levels as a result of scheduled maintenance at Los Pelambres and Esperanza
- Group gold production was 56,800 ounces in Q1 2014, a 10.3% decrease on Q4 2013 as a result of lower production at Esperanza
- Molybdenum production at Los Pelambres was 1,700 tonnes in Q1 2014, compared with 2,300 tonnes in Q4 2013, principally due to lower plant throughput and grade

CASH COSTS

- Cash costs before by-product credits in Q1 2014 were in line with Q4 2013 at \$1.83/lb. Whilst production was lower during the current quarter as expected, cash costs were supported by the peso, which weakened by 6.8% against the US dollar compared with Q4 2013
- Net cash costs at \$1.46/lb were also in line with the previous quarter, despite lower copper production, due to higher realised molybdenum and gold prices
- Los Pelambres was impacted by higher energy costs, which more than doubled versus the seasonally low costs of the previous quarter, as the operation continues to be exposed to the spot energy price

GUIDANCE

- The Group remains on track to meet its full year guidance of 700,000 tonnes of copper, 270,000 ounces of gold and 7,500 tonnes of molybdenum and net cash costs of \$1.45/lb. As previously stated, the second half of the year is expected to be stronger (higher production and lower unit costs) than the first half

GROUP PRODUCTION AND CASH COSTS		Q1	Q4	%	YTD		
		2014	2013		2014	2013	%
Copper production	kt	169.4	182.9	(7.4)	169.4	183.8	(7.8)
Gold production	koz	56.8	63.3	(10.3)	56.8	86.2	(34.1)
Molybdenum production	kt	1.7	2.3	(26.1)	1.7	2.6	(34.6)
Cash costs before by-product credits	\$/lb	1.83	1.82	0.5	1.83	1.72	6.4
Net cash costs	\$/lb	1.46	1.47	(0.6)	1.46	1.16	25.9

MINING OPERATIONS

Los Pelambres

Los Pelambres produced 95,700 tonnes of copper in Q1 2014 compared with 101,900 tonnes in Q4 2013. This decrease was mainly due to scheduled plant maintenance during the first quarter which resulted in a lower average plant throughput of 162,600 tonnes per day. This was partially offset by a 4.3% increase in grade and, to a lesser extent, higher recoveries.

In line with expectations molybdenum production decreased by 26.1% to 1,700 tonnes in Q1 2014, from 2,300 tonnes in Q4 2013, due to the decreased plant throughput and lower grades. In comparison with Q1 2013, production fell by 36.1% lower due to lower plant throughput and grades.

Cash costs before by-product credits in Q1 2014 were \$1.64/lb compared with \$1.46/lb in the previous quarter. This was principally due to a \$0.08/lb increase in energy costs as spot energy prices increased from the seasonally low costs of Q4 2013, the impact of the lower copper production on unit costs and the payment of a one-off signing bonus to employees following the successful completion of a new four-year agreement with the Mine Union in March 2014 which led to a one-off increase in cash costs during the quarter equal to approximately a \$0.03/lb impact on an annualised basis.

Net cash costs were \$0.21/lb higher at \$1.31/lb in Q1 2014 compared with the previous quarter for the reasons above and lower molybdenum production, partially offset by higher realised molybdenum prices.

LOS PELAMBRES		Q1	Q4		YTD		
		2014	2013	%	2014	2013	%
Daily ore throughput	kt	162.6	181.4	(10.4)	162.6	176.2	(7.7)
Copper grade	%	0.73	0.70	4.3	0.73	0.74	(1.4)
Copper recovery	%	91.7	90.5	1.3	91.7	88.6	3.5
Copper production	kt	95.7	101.9	(6.1)	95.7	101.2	(5.4)
Copper sales	kt	95.8	108.3	(11.5)	95.8	102.8	(6.8)
Molybdenum grade	%	0.014	0.016	(12.5)	0.014	0.016	(12.5)
Molybdenum recovery	%	86.5	86.7	(0.2)	86.6	80.0	8.2
Molybdenum production	kt	1.7	2.3	(26.1)	1.7	2.6	(34.6)
Molybdenum sales	kt	1.5	2.6	(42.3)	1.5	2.2	(31.8)
Gold production	koz	15.5	15.8	(1.9)	15.5	11.8	31.4
Gold sales	koz	15.5	15.8	(1.9)	15.5	11.8	31.4
Cash costs before by-product credits*	\$/lb	1.64	1.46	12.3	1.64	1.50	9.3
Net cash costs	\$/lb	1.31	1.10	19.1	1.31	1.07	22.4

* Includes tolling charges of \$0.20/lb in Q1 2014 and \$0.17/lb in both Q4 2013 and Q1 2013

Esperanza

Esperanza produced 39,200 tonnes of payable copper in Q1 2014, compared with 43,700 tonnes in the previous quarter, due to lower throughput, partially offset by higher grades and recoveries. The average plant throughput fell to 82,100 tonnes per day in Q1 2014 compared with 86,700 tonnes per day in the previous quarter as a result of scheduled plant maintenance during the quarter.

Copper production was 18.2% lower than in the same period last year due to the lower throughput, lower grade and, to a lesser extent, lower recoveries.

Gold production was 41,300 ounces in Q1 2014, 6,200 ounces lower than in the prior quarter primarily due to the lower plant throughput. Gold production was 44.5% lower than in the same period last year for the same reason, further compounded by lower grades and recoveries.

Cash costs before by-product credits were \$2.20/lb in Q1 2014 compared with \$2.52/lb in Q4 last year. This was principally due to lower scheduled mine movement, partially offset by higher TC/RCS and costs associated with the scheduled maintenance.

Compared with Q1 2013, cash costs before by-product credits were 4.8% higher, primarily due to the lower production in the quarter.

Net cash costs were \$1.44/lb in Q1 2014, 23.4% lower than the previous quarter as a result of the decrease in cash costs before by-product credits explained above and higher realised gold prices.

ESPERANZA		Q1	Q4	%	YTD		
		2014	2013		2014	2013	%
Daily ore throughput	kt	82.1	86.7	(5.3)	82.1	91.4	(10.2)
Copper grade	%	0.64	0.61	4.9	0.64	0.70	(8.6)
Copper recovery	%	87.6	86.0	1.9	87.6	88.9	(1.5)
Copper production	kt	39.2	43.7	(10.3)	39.2	47.9	(18.2)
Copper sales	kt	39.0	43.0	(9.3)	39.0	41.0	(4.9)
Gold grade	g/t	0.26	0.25	4.0	0.26	0.36	(27.8)
Gold recovery	%	70.6	69.1	2.2	70.6	84.0	(16.0)
Gold production	koz	41.3	47.5	(13.1)	41.3	74.4	(44.5)
Gold sales	koz	41.6	49.3	(15.6)	41.6	63.0	(34.0)
Cash costs before by-product credits*	\$/lb	2.20	2.52	(12.7)	2.20	2.10	4.8
Net cash costs	\$/lb	1.44	1.88	(23.4)	1.44	0.85	69.4

* Includes tolling charges of \$0.24/lb in Q1 2014, \$0.21/lb in Q4 2013 and \$0.19/lb in Q1 2013

El Tesoro

El Tesoro produced 23,700 tonnes of copper in Q1 2014 compared with 26,100 tonnes in Q4 2013 mainly as a result of lower grades and recoveries, partially offset by higher plant throughput.

Production in Q1 2014 was 6.7% lower than in the same period last year. This decrease was mainly due to significantly lower grades and recoveries in Q1 2014 as mining activities ceased in the higher grade Mirador pit during the last quarter of 2013 and resumed at the lower grade and higher cost Tesoro Central and Tesoro North-East pits.

Cash costs increased by \$0.08/lb to \$1.68/lb between Q4 2013 and Q1 2014 primarily due to the decrease in production and higher input costs such as acid, partially offset by the weakening of the Chilean peso. Cash costs in Q1 2014 were 32.3% higher than in the same period last year primarily reflecting the lower cost of production from processing the higher grade Mirador ore in Q1 2013.

EL TESORO		Q1			Q4			YTD		
		2014	2013	%	2014	2013	%	2014	2013	%
Daily ore throughput	kt	25.8	25.0	3.2	25.8	17.3	49.1	25.8	17.3	49.1
Copper grade	%	1.28	1.32	(3.0)	1.28	1.82	(29.7)	1.28	1.82	(29.7)
Copper recovery	%	73.8	76.4	(3.5)	73.8	79.1	(6.7)	73.8	79.1	(6.7)
Copper production – heap leach	kt	21.2	23.8	(10.9)	21.2	23.3	(9.0)	21.2	23.3	(9.0)
Copper production - total *	kt	23.7	26.1	(9.2)	23.7	25.4	(6.7)	23.7	25.4	(6.7)
Copper sales	kt	23.1	26.8	(13.8)	23.1	19.5	18.5	23.1	19.5	18.5
Cash costs	\$/lb	1.68	1.60	5.0	1.68	1.27	32.3	1.68	1.27	32.3

* Includes production from ROM material

Michilla

Copper production at Michilla was 10,800 tonnes during the quarter, slightly lower than Q4 last year, and 16.1% higher than in the same period last year as a result of higher grade, throughput and recoveries.

Cash costs decreased to \$2.49/lb in Q1, some \$0.40/lb lower than in the previous quarter primarily reflecting the impact of a weaker peso, which explained \$0.10/lb of the decrease, and lower input costs including less third party ore. Cash costs were 24.5% lower than in the same period last year due largely to much lower stripping costs and the weaker peso.

MICHILLA		Q1			Q4			YTD		
		2014	2013	%	2014	2013	%	2014	2013	%
Daily ore throughput	kt	12.0	13.2	(9.1)	12.0	11.2	7.1	12.0	11.2	7.1
Copper grade	%	1.08	0.94	14.9	1.08	0.92	17.4	1.08	0.92	17.4
Copper recovery	%	80.0	79.4	0.8	80.0	76.0	5.3	80.0	76.0	5.3
Copper production – heap leach	kt	9.4	9.2	2.2	9.4	7.7	22.1	9.4	7.7	22.1
Copper production - total *	kt	10.8	11.0	(1.8)	10.8	9.3	16.1	10.8	9.3	16.1
Copper sales	kt	10.4	12.2	(14.8)	10.4	6.7	55.2	10.4	6.7	55.2
Cash costs	\$/lb	2.49	2.89	(13.8)	2.49	3.30	(24.5)	2.49	3.30	(24.5)

* Includes production from secondary leaching

Antucoya

As at 31 March 2014 total progress (including design, engineering, procurement and construction) on the project was 74% with construction progress at 52%.

Commodity prices and exchange rates

		Q1	Q4		YTD		
		2014	2013	%	2014	2013	%
Copper							
Market price	\$/lb	3.19	3.25	(1.9)	3.19	3.60	(11.4)
Realised price	\$/lb	2.87	3.31	(13.3)	2.87	3.41	(15.8)
Gold							
Market price	\$/oz	1,293	1,274	1.5	1,293	1,632	(20.8)
Realised price	\$/oz	1,403	1,210	16.0	1,403	1,588	(11.7)
Molybdenum							
Market price	\$/lb	10.0	9.6	4.2	10.0	11.4	(12.3)
Realised price	\$/lb	10.5	9.8	7.1	10.5	11.1	(5.4)
Exchange rates							
Chilean peso	per \$	551	516	6.8	551	473	16.5

The Chilean peso weakened against the US dollar by 6.8% between Q4 2013 and the current quarter reducing Group cash costs by some \$0.04/lb.

The spot commodity prices for copper, gold and molybdenum as at 31 March 2014 were \$3.01/lb, \$1,292/oz and \$10.6/lb respectively compared with \$3.35/lb, \$1,202/oz and \$9.7/lb as at 31 December 2013.

The provisional pricing adjustments and hedging effects for the quarter for copper, gold and molybdenum were negative \$122.8m, positive \$3.1m and positive \$0.7m respectively.

Transport and water

Total volumes transported by the transport division were 1.7 million tonnes in Q1 2014, 7.6% lower than in the previous quarter and 4.8% lower than in the same period last year.

The water division sold 12.9 million cubic metres in Q1 2014, 1.5% lower than in the previous quarter and 0.8% lower than in the same period last year.

		Q1	Q4		YTD		
		2014	2013	%	2014	2013	%
Total tonnage transported	kt	1,729	1,871	(7.6)	1,729	1,816	(4.8)
Water volumes sold	mil m ³	12.9	13.1	(1.5)	12.9	13.0	(0.8)

Interim management statement

This report represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. Other than as set out above, there have been no material events or transactions, or significant changes to the financial position and performance of the Group, since 31 December 2013.

Changes to reporting

As announced in the Q3 2013 Financial Report, from 2014, Q1 and Q3 Financial Reports will no longer be prepared. As set out above, the Q1 and Q3 production reports will continue to be the Interim Management Statements for the purposes of the UK Listing Authority's Disclosure and Transparency Rules.

Changes to Chilean tax

On 1 April 2014, a comprehensive tax reform bill was presented to the Chilean National Congress. The draft bill proposes modifications to the current tax system and is currently being considered by the Congress. It is unlikely to become law before the end of September, although some of the changes proposed in the bill are expected to be retrospectively applied from 1 January 2014.

The proposed changes most relevant to the Group relate to corporation tax and withholding tax. The proposed changes to corporation tax would increase the current rate from 20% in 2013 in annual increments to 25% in 2017.

The proposed changes to withholding tax (currently 35% less the corporation tax already paid) would move the tax from being calculated on a cash basis to an accruals basis. The manner in which this new basis will be applied is currently still being analysed.

At this stage, it is too early to estimate the impact of the proposed changes.

Investors – London

Andrew Lindsay alindsay@antofagasta.co.uk
Chris Wilson cwilson@antofagasta.co.uk
Telephone +44 20 7808 0988

Investors – Santiago

Alejandro Rivera arivera@aminerals.cl
Telephone +56 2 2798 7000

Media (Brunswick)

Carole Cable antofagasta@brunswickgroup.com
Robin Wrench antofagasta@brunswickgroup.com
Telephone +44 20 7404 5959