

NEWS RELEASE, 31 OCTOBER, 2013

Q3 2013 PRODUCTION REPORT

HIGHLIGHTS

The Group remains on-track to achieve production and net cash costs for the full year 2013

PRODUCTION

- Group copper production was in line with expectations at 174,200 tonnes in Q3 2013, a 3.4% decrease versus the previous quarter primarily due to forecast lower grades across the operations
- For the year to date, copper production was 538,300 tonnes, a 4.4% increase versus the same period in 2012 primarily reflecting the improved operational performance at Esperanza
- Group gold production was 67,700 ounces in Q3 2013, an 11.7% decrease on Q2 as a result of lower grades at Esperanza
- For the year to date, gold production was 230,600 ounces, 8.0% higher than the same period in the previous year
- Forecast group production for 2013 remains unchanged at 700,000 tonnes of copper, 280,000 ounces of gold and 8,000 tonnes of molybdenum

CASH COSTS

- Cash costs before by-product credits were in line with expectations at \$1.84/lb in Q3 2013, 2.2% higher than the previous quarter, primarily due to higher costs at Esperanza
- Net cash costs were \$1.48/lb in Q3 2013, 8.0% higher than Q2, mainly reflecting the lower gold production at Esperanza
- In line with expectations, net cash costs were \$1.33/lb in the first nine months of 2013, a 34.3% increase against the comparable period of 2012, principally due to lower molybdenum production, lower by-product commodity prices, an increase in the energy price at Los Pelambres and increased costs at Esperanza
- The Group remains on track to achieve cash costs before by-product credits of approximately \$1.85/lb and net cash costs of approximately \$1.40/lb

GROUP PRODUCTION AND CASH COSTS		2013			YTD		
		Q3	Q2	%	2013	2012	%
Copper production	kt	174.2	180.3	(3.4)	538.3	515.8	4.4
Gold production	koz	67.7	76.7	(11.7)	230.6	213.5	8.0
Molybdenum production	kt	2.0	2.0	-	6.7	9.5	(29.5)
Cash costs before by-product credits	\$/lb	1.84	1.80	2.2	1.79	1.60	11.9
Net cash costs	\$/lb	1.48	1.37	8.0	1.33	0.99	34.3

MINING OPERATIONS

Los Pelambres

Los Pelambres produced 99,700 tonnes of copper in Q3 2012 compared with 102,500 tonnes in Q2 as plant throughput decreased by 3.2% to 172,700. This decrease was as a result of harder ore, which reduced throughput, and the expected decrease in ore grades from 0.73% in Q2 to 0.71% in Q3, which was partly offset by higher recoveries.

Copper production in the first nine months of 2013 was 303,400 tonnes compared with 296,000 tonnes in the comparable period in 2012, primarily due to higher ore grades.

Molybdenum production remained stable between Q3 and Q2 2013 at 2,000 tonnes despite lower plant throughput and grade as recoveries improved. Molybdenum production decreased by 29.5% to 6,700 tonnes in the first nine months of 2013 compared with the first nine months of 2012 mainly reflecting the decrease in grades from 0.023% to 0.015%, in line with expectations and guidance.

Cash costs before by-product credits decreased by \$0.17/lb between Q3 and Q2 2013, primarily due to a fall in the energy price as a greater proportion of power was generated in the SIC (the central grid) by lower cost hydroelectric producers. Net cash costs were \$0.13/lb lower at \$1.17/lb in Q3 2013 compared with the previous quarter. This reduction reflects the decrease in the cash costs before by-product credits partly offset by a \$0.04/lb decrease in by-product credits due to a lower molybdenum price in Q3 compared to Q2, despite higher gold production.

Net cash costs for the first nine months of 2013 were \$1.18/lb compared to \$0.81/lb in the first nine months of 2012 principally due to lower molybdenum production, lower molybdenum and gold prices, and the higher energy costs resulting from the movement to spot prices following expiry of the long-term energy supply contract at the end of 2012.

LOS PELAMBRES		2013			YTD		
		Q3	Q2	%	2013	2012	%
Daily ore throughput	kt	172.7	178.4	(3.2)	175.8	177.0	(0.7)
Copper grade	%	0.71	0.73	(2.7)	0.73	0.70	4.3
Copper recovery	%	91.5	89.7	2.0	89.9	90.5	(0.7)
Copper production	kt	99.7	102.5	(2.7)	303.4	296.0	2.5
Copper sales	kt	110.7	92.2	20.1	305.7	288.2	6.1
Molybdenum grade	%	0.014	0.016	(12.5)	0.015	0.023	(34.8)
Molybdenum recovery	%	85.1	79.8	6.6	81.5	82.8	(1.6)
Molybdenum production	kt	2.0	2.0	-	6.7	9.5	(29.5)
Molybdenum sales	kt	1.9	2.1	(9.5)	6.2	9.8	(36.7)
Gold production and sales	koz	16.6	12.5	32.8	40.9	38.8	5.4
Cash costs before by-product credits*	\$/lb	1.48	1.65	(10.3)	1.55	1.37	13.1
Net cash costs	\$/lb	1.17	1.30	(10.0)	1.18	0.81	45.7

* Includes tolling charges of \$0.18/lb in Q3 2013 and \$0.17/lb in 2013 YTD

Esperanza

Esperanza produced 41,000 tonnes of copper in Q3 2013, a 2.8% decrease compared with the previous quarter. This was primarily due to a 22.9% decrease in the copper grade to 0.54% and a 7.1% decrease in copper recovery to 83.6%, which was partially offset by a 7.7% increase in daily throughput. The decrease in

copper grade was mainly due to mining a lower grade phase of the pit throughout the quarter as well as due to localised geotechnical issues, which resulted in the temporary processing of lower grade stockpiles. The decrease in recoveries was primarily a result of this decline in grade.

Copper production in the first nine months of 2013 was 131,100 tonnes compared with 113,700 tonnes in the comparable period in 2012 reflecting the improved performance of the operation as throughput increased 11.2% to an average of 87,300 tonnes per day.

Gold production was 51,000 ounces in Q3, 20.6% lower than in the previous quarter mainly as a result of lower grades from the processing of lower grade stockpiles as well as lower recoveries. The production in the first nine months of 2013 was 189,600 ounces compared with 174,600 ounces in the comparable period of 2012, which was principally due to the higher daily throughput, marginally offset by a decline in grades.

Cash costs before by-product credits were \$2.73/lb in Q3 compared with \$2.14/lb in the previous quarter. This increase was primarily due to the lower copper grade and the use of higher cost stockpiles, partly as a result of the temporary mine issues outlined above. By-product credits fell by \$0.21/lb in the quarter due to the lower gold production. This resulted in net cash costs of \$1.94/lb in Q3 compared with \$1.14/lb in the previous quarter.

Net cash costs for the first nine months of 2013 were \$1.29/lb compared with \$0.54/lb in the comparable period in 2012. This increase was mainly due to the consumption of higher cost stockpiles and higher mine movement costs in 2013. The lower gold grades and price contributed a \$0.27/lb increase in the net cash cost.

ESPERANZA		2013			YTD		
		Q3	Q2	%	2013	2012	%
Daily ore throughput	kt	88.4	82.1	7.7	87.3	78.5	11.2
Copper grade	%	0.54	0.70	(22.9)	0.65	0.66	(1.5)
Copper recovery	%	83.6	90.0	(7.1)	87.7	87.1	0.7
Copper production	kt	41.0	42.2	(2.8)	131.1	113.7	15.3
Copper sales	kt	47.0	37.2	26.3	125.2	104.8	19.5
Gold grade	%	0.26	0.35	(25.7)	0.32	0.36	(11.1)
Gold recovery	%	68.9	85.6	(19.5)	80.4	76.1	5.7
Gold production	koz	51.0	64.2	(20.6)	189.6	174.6	8.6
Gold sales	koz	60.6	53.1	14.1	176.7	163.8	7.9
Cash costs before by-product credits*	\$/lb	2.73	2.14	27.6	2.31	1.83	26.2
Net cash costs	\$/lb	1.94	1.14	70.2	1.29	0.54	138.9

* Includes tolling charges of \$0.21/lb in Q3 2013 and \$0.20/lb in 2013 YTD

El Tesoro

El Tesoro produced 24,800 tonnes of copper in Q3 compared to 26,400 tonnes in Q2 as a result of a decrease in ore grade, which was a lower than expected decline as mining stopped at the higher grade Mirador pit in September, some three months later than had originally been planned. Production was 76,500 tonnes in the first nine months of 2013 compared with production of 78,200 tonnes in the same period of 2012 principally due to the slightly lower grade this year, marginally offset by higher copper recoveries.

Cash costs increased in Q3 to \$1.33/lb compared with \$1.26/lb in Q2 principally reflecting the lower copper grade in the period. Cash costs for the first nine months of 2013 were \$1.28/lb, a 17.4% decrease on the comparable period primarily reflecting lower consumption of acid and favourable inventory movements.

EL TESORO		2013			YTD		
		Q3	Q2	%	2013	2012	%
Daily ore throughput	kt	20.4	20.5	(0.5)	19.4	20.1	(3.5)
Copper grade	%	1.43	1.63	(12.3)	1.63	1.68	(3.0)
Copper recovery	%	80.5	77.2	4.4	78.8	75.0	5.1
Copper production – heap leach	kt	22.6	24.3	(7.0)	70.2	69.9	0.4
Copper production - total *	kt	24.8	26.4	(6.1)	76.5	78.2	(2.2)
Copper sales	kt	25.4	29.9	(15.1)	74.8	74.5	(0.4)
Cash costs	\$/lb	1.33	1.26	5.6	1.28	1.55	(17.4)

** Includes production from ROM material*

Michilla

Michilla produced 8,700 tonnes of copper in Q3 compared to 9,300 tonnes in Q2 primarily as a result of lower throughput despite marginally higher grade and recoveries. Production from the primary heap leach was 22,600 tonnes in the first nine months of 2013 compared to 24,900 tonnes in the same period of 2012 principally reflecting the 16.4% decline in the combined grade of the mine's own operations and third-party ore, marginally offset by higher throughput and recoveries.

Cash costs were \$3.32/lb in Q3 compared with \$3.43/lb in the previous quarter due to fewer waste tonnes being moved at the Lince pit. Cash costs for the first nine months of 2013 were \$3.35/lb, a 6.3% increase on the comparable period primarily reflecting the additional stripping activities to the mine site that will support mining activities in 2014.

MICHILLA		2013			YTD		
		Q3	Q2	%	2013	2012	%
Daily ore throughput	kt	11.1	12.1	(8.3)	11.5	11.0	4.5
Copper grade	%	0.93	0.91	1.1	0.92	1.10	(16.4)
Copper recovery	%	78.5	77.3	1.6	77.3	73.7	4.9
Copper production – heap leach	kt	7.2	7.8	(7.7)	22.6	24.9	(9.2)
Copper production - total *	kt	8.7	9.3	(6.5)	27.3	27.8	(1.8)
Copper sales	kt	7.8	11.8	(33.9)	26.3	27.5	(4.4)
Cash costs	\$/lb	3.32	3.43	(3.2)	3.35	3.15	6.3

** Includes production from secondary leaching*

Project update

The construction of Antucoya remains on time and on budget with 44% total progress (design, procurement and physical progress) and 14% construction progress as at 30 September 2013.

Commodity prices and exchange rates

		2013			YTD		
		Q3	Q2	%	2013	2012	%
Copper							
Market price	\$/lb	3.21	3.24	(0.9)	3.35	3.50	(7.3)
Realised price	\$/lb	3.45	2.90	19.0	3.26	3.74	(12.8)
Gold							
Market price	\$/oz	1,326	1,415	(6.3)	1,456	11.9	(11.9)
Realised price	\$/oz	1,319	1,287	2.5	1,402	12.3	(16.0)
Molybdenum							
Market price	\$/lb	9.4	10.8	(13.0)	10.5	1,651	(21.1)
Realised price	\$/lb	8.4	10.6	(20.8)	10.0	1,668	(18.7)
Exchange rates							
Chilean peso	per \$	507	484	4.8	488	490	(0.3)

The spot commodity price for copper, gold and molybdenum as at 30 September 2013 were \$3.31/lb, \$1,331/oz and \$9.2/lb respectively compared with \$3.06/lb, \$1,198/oz and \$10.3/lb at the end of the previous quarter.

The provisional pricing adjustments and hedging effects in the period for copper, gold and molybdenum were negative \$123.5m, negative \$24.1m and negative \$14.7m respectively.

Transport and water

Total volumes transported by the transport division were 1.9 million tonnes in Q3 2013, in line with the previous quarter. Total volumes in the first nine months of 2013 were 5.5 million tonnes, a 3.2% decrease versus the comparable period in 2012.

The water division sold 12.6 million cubic metres in Q3 2013, marginally less than in the previous quarter. Total volumes in the first nine months of 2013 were 38.3 million cubic metres, slightly ahead versus the comparable period of 2012.

		2013			YTD		
		Q3	Q2	%	2013	2012	%
Total tonnage transported	kt	1,851	1,875	(1.3)	5,542	5,728	(3.2)
Water volumes sold	million m ³	12.6	12.7	(0.8)	38.3	38.0	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 30 June 2013.

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