

30 April 2003

## Highlights

- **Group copper production in Q1 of 105,800 tonnes**
- **Group cash costs remain below 40 cents per pound**
- **Continuing optimisation at El Tesoro results in record 23,400 tonnes of cathodes**

Group Total	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
<b>Total copper production ('000 tonnes)</b>	<b>105.8</b>				<b>105.8</b>	<b>108.9</b>	<b>460.7</b>
<b>Weighted average cash costs (cents per pound)</b>	<b>39.8</b>				<b>39.8</b>	<b>39.2</b>	<b>38.9</b>

### Los Pelambres

Early maintenance on both grinding lines reduced ore processing levels in Q1 to 107,100 tonnes per day (tpd) compared with an average of 110,500 tpd during 2002. Processing levels have now reverted to normal levels after completion of maintenance and an average of 115,000 tpd for the year is forecast. As expected in the mine plan, ore grades decreased to 0.88% compared with 0.91% in 2002. Consequently, copper production at Los Pelambres was 71,500 tonnes in Q1. With increased throughput expected for the remainder of the year, forecast production remains at 325,000 tonnes of payable copper, compared with 324,600 tonnes in the 2002 full year.

Cash costs of 34.4 cents per pound compared to an average of 34.9 cents per pound in 2002. Molybdenum prices averaged US\$4.00 per pound in Q1 compared with US\$3.70 per pound in 2002. If these prices continue, cash costs at Los Pelambres should be maintained at similar levels for the remainder of the year.

### El Tesoro

Cathode production reached 23,400 tonnes, 12.4% above the quarterly average for 2002, resulting from higher throughput and increased metallurgical recoveries. The higher recoveries resulted from blending of ores at the primary crusher providing material for the leaching pads. Production for the year is estimated to be at least 85,000 tonnes.

Cash costs were 40.6 cents per pound, in line with the 2002 average of 40.8 cents per pound and are expected to remain at a similar level for the remainder of the year.

### Michilla

Michilla produced 10,900 tonnes of cathodes, 14.3% lower than the quarterly average for 2002 due to the installation and start-up of additional crushing capacity. The crushing capacity has now been increased and consequently production levels are expected to be similar to 2002.

Cash costs in Q1 jumped to 73.1 cents per pound, compared with 61.4 cents in 2002, due to the lower processing levels and higher costs under the current phase of the mine plan, but cash costs for the year are expected to revert to average of 64.5 cents per pound, helped by the increased crushing capacity and with better grades expected in the second half of the year.

### Rail and Road Transport

Rail tonnages decreased by 7% to 946,000 tons compared to the 2002 quarterly average due to reduced shipments of cathodes and sulphuric acid from El Abra and the decision by Codelco to stockpile some of its production. The Railway expects to move part of the tonnage stockpiled during the course of the year.

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# Quarterly Production Report Q1 2003



Los Pelambres	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
Daily average ore treated ('000 tonnes)	107.1				107.1	113.6	110.5
Average ore grade (%)	0.88				0.88	0.89	0.91
Average recovery (%)	90.1				90.1	91.2	91.1
Concentrate produced ('000 tonnes)	172.7				172.7	189.7	811.8
Average concentrate grade (%)	42.8				42.8	42.1	41.3
Fine copper in concentrate ('000 tonnes)	73.9				73.9	79.8	335.5
Payable copper in concentrate ('000 tonnes)	71.5				71.5	77.2	324.6
Payable moly in concentrate ('000 tonnes)	1.8				1.8	2.4	7.8
Cash costs (cents per pound)	34.4				34.4	35.9	34.9
El Tesoro	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
Daily average ore treated ('000 tonnes)	22.7				22.7	20.6	20.5
Average ore grade (%)	1.48				1.48	1.34	1.50
Average recovery (%)	77.0				77.0	76.5	74.4
Copper cathodes ('000 tonnes)	23.4				23.4	19.3	84.3
Cash costs (cents per pound)	40.6				40.6	39.6	40.8

# Quarterly Production Report

## Q1 2003



<b>Michilla</b>	<b>Q1 2003</b>	<b>Q2 2003</b>	<b>Q3 2003</b>	<b>Q4 2003</b>	<b>Acc 2003</b>	<b>Acc 2002</b>	<b>Full Year 2002</b>
<b>Daily average ore treated (‘000 tonnes)</b>	<b>12.4</b>				<b>12.4</b>	<b>11.8</b>	<b>13.4</b>
<b>Average ore grade (%)</b>	<b>1.35</b>				<b>1.35</b>	<b>1.48</b>	<b>1.39</b>
<b>Average recovery (%)</b>	<b>75.1</b>				<b>75.1</b>	<b>77.4</b>	<b>75.6</b>
<b>Copper cathodes (‘000 tonnes)</b>	<b>10.9</b>				<b>10.9</b>	<b>12.5</b>	<b>51.8</b>
<b>Cash costs (cents per pound)</b>	<b>73.1</b>				<b>73.1</b>	<b>59.0</b>	<b>61.4</b>

  

<b>Transport</b>	<b>Q1 2003</b>	<b>Q2 2003</b>	<b>Q3 2003</b>	<b>Q4 2003</b>	<b>Acc 2003</b>	<b>Acc 2002</b>	<b>Full Year 2002</b>
<b>Rail tonnage transported (‘000 tons)</b>	<b>946</b>				<b>946</b>	<b>1,037</b>	<b>4,142</b>