

31 July 2000

## ANTOFAGASTA PLC

### Highlights

- **Los Pelambres achieved Completion on 10 July with Antofagasta released from all financial guarantees.**
- **El Tesoro construction nearly 40% complete and start up expected in May 2001.**
- **New mining plan for Michilla extends mine life to 2007.**
- **Railway tonnage up 7% in first six months.**

Group Total	Q1 2000	Q2 2000	Total 2000	Full Ye 1999
<b>Total copper production ('000 tonnes)</b>	<b>82.3</b>	<b>85.4</b>	<b>167.7</b>	<b>60.5</b>
<b>Weighted average cash costs</b>	<b>38.7</b>	<b>39.6</b>	<b>39.2</b>	<b>55.4</b>

### Los Pelambres

Los Pelambres satisfied all its obligations for Completion on 10 July and the banks released Antofagasta from its guarantees, including the release of the US\$133 million escrow account and the charge over its 33.6% interest in Quiñenco.

Ore processing levels reached an average of 90,000tpd during the second quarter. Current processing levels are now approximately 12% above planned capacity. During the first two quarters, 141,200 tonnes of copper in concentrates was produced and sold, while shipments in the same period totalled 128,200 tonnes. Cash costs for the first six months averaged 35.4 cents per pound of copper, placing Los Pelambres in the lowest cost quartile worldwide.

### Michilla

Michilla adopted its new mining plan which will extend the life of the 50,000tpa SX-EW copper cathode operation to at least 2007.

Second quarter production of 12,800 tonnes was marginally above expectations. As expected cash costs per pound of copper are approximately 6 cents compared with 55 cents in 1999. This is mainly due to a higher waste to ore ratio related to the Phase 6 expansion of the open pit.

### El Tesoro

Construction of the El Tesoro project is 39.1% complete, remains on schedule and within budget. First production is expected in May 2001.

Processing tests at the pilot plant indicate that recoveries of copper may be higher than expected from earlier tests.

### Exploration

The Phase 2 drilling programme began in May at the Magistral prospect in Peru and has provided further evidence of copper-molybdenum mineralisation. Antofagasta is financing the 6,000 metre diamond drilling operation under the terms of its option to acquire a 51% interest in the project.

### Transport

Total freight carried by the railway increased by 7% during the first 6 months compared to the same period in 1999. Furthermore ton-kilometres carried rose by approximately 11%.

### Investments

In May, Antofagasta received a dividend of approximately US\$31 million from its 33.6% interest in Quiñenco S.A., compared with US\$5.3 million in 1999.

Enquires:

Alejandro Rivera  
arivera@anaconda.cl  
Santiago: (56-2) 2405145

Hussein Barma  
hbarma@antofagasta.co.uk  
London: (44-20) 73748091

Issued by:

Keith Irons  
Bankside Consultants Ltd

keith@bankside.com  
London: (44-20) 72207477

Los Pelambres	Q1 2000	Q2 2000	Total 2000	Full Year 1999
Daily average ore treated ('000 tonnes)	84.7	90.0	87.4	-
Average ore grade (%)	1.04	1.01	1.02	-
Average recovery (%)	91.4	93.0	92.2	-
Concentrates produced ('000 tonnes)	158.5	171.6	330.1	-
Average concentrate grade (%)	44.8	43.8	44.3	-
Copper in concentrates ('000 tonnes)	68.6	72.6	141.2	-
Cash costs (cents per pound)	34.9	35.9	35.4	-

Michilla	Q1 2000	Q2 2000	Total 2000	Full Year 1999
Daily average ore treated ('000 tonnes)	12.1	11.7	11.9	12.1
Average ore grade (%)	1.72	1.70	1.71	1.77
Average recovery (%)	74.5	71.6	73.1	77.3
Copper cathodes ('000 tonnes)	12.6	12.8	25.4	50.9
Copper in concentrates ('000 tonnes)	1.1	-	1.1	9.2
Cash costs (cents per pound)	58.8	60.2	59.4	55.4

Transport	Q1 2000	Q2 2000	Total 2000	Full Year 1999
Rail tonnage transported ('000 tons)	767	838	1,605	3,118