

30 July 2003

Highlights

- **Group Copper production increased by 13% over Q1 to 119,400 tonnes**
- **Los Pelambres cash costs were 29 cents per pound – the lowest quarterly costs to date**
- **FCAB increased tonnage carried by 20% over Q1**

Group Total	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
Total copper production ('000 tonnes)	105.8	119.4			225.1	210.9	460.7
Weighted average cash costs (cents per pound)	39.8	35.6			37.6	39.2	38.9

Los Pelambres

Copper production at Los Pelambres was 83,700 tonnes in Q2, an increase of 17% compared to Q1. This was mainly due to higher use of operating capacity at the plant, improvements to gratings at the SAG Mills and higher ore grades.

Cash costs for the period were 29 cents per pound – a record for the mine. The reduction in costs was primarily due to increased by-product credits, cost control efficiency and expanded Copper production. The production of Molybdenum increased by 6% in the period and the average Molybdenum price obtained during the second quarter was US\$5.20 per pound – almost 30% higher than the Moly price levels achieved in the previous quarter.

Copper production at Los Pelambres should reach 325,000 tonnes in 2003.

El Tesoro

Cathode production at 22,100 tonnes was 6% lower than in Q1 as a result of the scheduled shutdown for maintenance at the concentrator during May. This enabled improvements to be made to the tailings dispersal system.

Due mainly to the reduced production, cash costs at 41.3 cents per pound were marginally higher than the 40.6 cents in Q1.

Production at El Tesoro is still expected to reach 85,000 tonnes of cathodes for the year.

Michilla

Michilla's production increased by 24% to 13,500 tonnes in Q2, which partially recouped the lower production in the previous quarter, following modifications made to the crusher line.

Cash costs at 67.4 cents per pound were 8% less than Q1, as a consequence of the above mentioned production increase.

Production at Michilla is expected to be around 52,000 tonnes for the year.

Rail and Road Transport

Tonnage was 1,131,000 tons, an increase of 20% over the previous quarter, as the El Abra mine resumed its normal level of sulphuric acid shipments and the FCAB started to move copper from Codelco's stockpile.

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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	115.4			111.3	107.1	110.5
Average ore grade (%)	0.88	0.93			0.90	0.86	0.91
Average recovery (%)	90.1	89.3			89.7	91.0	91.1
Concentrate produced ('000 tonnes)	172.7	219.2			392.0	357.7	811.8
Average concentrate grade (%)	42.8	39.5			40.9	41.8	41.3
Fine copper in concentrate ('000 tonnes)	73.9	86.6			160.4	149.7	335.5
Payable copper in concentrate ('000 tonnes)	71.5	83.7			155.2	144.8	324.6
Payable moly in concentrate ('000 tonnes)	1.8	1.9			3.8	4.5	7.8
Cash costs (cents per pound)	34.4	29.0			31.5	35.4	34.9
El Tesoro							
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	19.7			21.2	20.1	20.5
Average ore grade (%)	1.48	1.60			1.54	1.42	1.50
Average recovery (%)	77.0	77.5			77.2	75.6	74.4
Copper cathodes ('000 tonnes)	23.4	22.1			45.5	40.6	84.3
Cash costs (cents per pound)	40.6	41.3			41.0	39.7	40.8

Michilla	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
Daily average ore treated (‘000 tonnes)	12.4	16.4			14.4	12.5	13.4
Average ore grade (%)	1.35	1.24			1.29	1.45	1.39
Average recovery (%)	75.1	74.7			74.8	76.1	75.6
Copper cathodes (‘000 tonnes)	10.9	13.5			24.4	25.5	51.8
Cash costs (cents per pound)	73.1	67.4			69.9	60.3	61.4

Transport	Q1 2003	Q2 2003	Q3 2003	Q4 2003	Acc 2003	Acc 2002	Full Year 2002
Rail tonnage transported (‘000 tons)	946	1,131			2,077	2,101	4,142