

Glossary and Definitions

Business, Financial and Accounting

ADASA

Aguas de Antofagasta S.A., a wholly-owned subsidiary of the Group incorporated in Chile and operating the water concession in Chile's II Region acquired from ESSAN.

ADR

American Depositary Receipt.

AIFR

All Injury Frequency Rate.

AMSA

Antofagasta Minerals S.A., a wholly-owned subsidiary of the Group incorporated in Chile which acts as the corporate centre for the mining division.

ATI

Antofagasta Terminal Internacional S.A., a 30%-owned associate of the Group incorporated in Chile and operating the port in the city of Antofagasta.

Annual Report

The Annual Report and Financial Statements 2007 of Antofagasta plc.

Australian Dollars

Australian currency.

Banco de Chile

Banco de Chile S.A., a subsidiary of Quiñenco.

Barrick Gold

Barrick Gold Corporation, the joint venture partner of the Group in Tethyan.

Board

The Directors of Antofagasta plc who collectively have responsibility for the conduct of the Group's business.

Capex

Capital expenditure(s).

Cash Costs

A measure of the cost of operational production expressed in terms of cents per pound of payable copper produced. Cash costs are stated net of by-product credits and include tolling charges for concentrates for Los Pelambres. Cash costs exclude depreciation, financial income and expenses, hedging gains and losses, exchange gains and losses and corporation tax.

CCU

Compañía de Cervecerías Unidas S.A., an associate of Quiñenco.

CECOM

Company Ethics Committee.

CECOR

Corporate Ethics Committee.

CGU

Cash Generating Unit.

Chilean Peso

Chilean currency.

Combined Code or 2006 Combined Code

The revised Combined Code on Corporate Governance published by the Financial Reporting Council in June 2006 and applicable to listed companies for reporting years beginning on or after 1 November 2006.

Companies Act 1985

Principal legislation for United Kingdom company law.

Company

Antofagasta plc.

CONAMA

Comisión Nacional del Medio Ambiente de Chile (Chilean National Environmental Commission).

DIA

Declaración de Impacto Ambiental, or Environmental Impact Declaration.

Directors

The Directors of the Company.

EBIT

Earnings Before Interest and Tax.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation.

EIA

Estudios de Impacto Ambiental, or Environmental Impact Assessment.

El Tesoro

Minera El Tesoro, a wholly-owned subsidiary of the Group incorporated in Chile.

EMS

Environmental Management System.

EPS

Earnings per share.

Equatorial

Equatorial Mining Limited, a wholly-owned subsidiary of the Group incorporated in Australia.

Esperanza

Minera Esperanza, a wholly-owned subsidiary of the Group Company incorporated in Chile.

ESSAN

Empresa de Servicios Sanitarios S.A., the Chilean state-owned company which formerly operated the regulated and non-regulated water distribution business in Chile's II Region).

EU

European Union.

FCA

Empresa Ferroviaria Andina S.A., a 50%-owned subsidiary of the Group incorporated in Bolivia.

FCAB

Ferrocarril de Antofagasta a Bolivia, the Chilean name for the Antofagasta Railway Company plc, a wholly-owned subsidiary of the Group incorporated in the United Kingdom and operating a rail network in Chile's II Region.

FSA

Financial Services Authority.

FTSE 100 Index

A market-capitalisation weighted index representing the performance of the 100 largest UK-domiciled blue chip companies, representing approximately 82% of the UK's market capitalisation.

FTSE All-Share Index

A market-capitalisation weighted index representing the performance of all eligible companies listed on the London Stock Exchange's main market, representing approximately 98% of the UK's market capitalisation.

GAAP

Generally Accepted Accounting Practice or Generally Accepted Accounting Principles.

GDP

Gross Domestic Product.

Government

The Government of the Republic of Chile.

Guanaco

South American animal, similar to the llama.

Group

Antofagasta plc and its subsidiaries companies.

Hedge Accounting

Accounting treatment for derivatives financial instrument permitted under IAS 39 "Financial Instruments: Recognition and Measurement", which recognises the offsetting effects on profit or loss of changes in the fair values of a hedging instrument and the hedged item.

IAS

International Accounting Standards.

IASB

International Accounting Standards Board.

IFRIC

International Financial Reporting Interpretations Committee.

IFRS

International Financial Reporting Standards.

IRR

Internal Rate of Return.

ISO 9.001

An international quality management system standard published by the International Organisation for Standardisation.

ISO 14.001

An international environmental management system standard published by the International Organisation for Standardisation.

IVA

Impuesto al Valor Agregado, or Chilean Value Added Tax (Chilean VAT).

Key Management Personnel

Persons with authority and responsibility for planning, directing and controlling the activities of the Group.

KPI

Key performance indicator.

LIBOR

London Inter Bank Offer Rate.

LME

London Metal Exchange.

Los Pelambres

Minera Los Pelambres, a 60%-owned subsidiary of the Group incorporated in Chile.

LSE

London Stock Exchange.

LTIFR

Lost Time Injury Frequency Rate.

Madeco

Madeco S.A., a subsidiary of Quiñenco.

Michilla

Minera Michilla S.A., a 74.2%-owned subsidiary of the Group incorporated in Chile.

OHSAS 18.001

Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems).

Provisional Pricing

A sales term in several copper and molybdenum concentrate sale agreements and cathodes sale agreements which provides for provisional pricing of sales at the time of shipment, with final pricing being based on the monthly average LME copper price or monthly average molybdenum price for specific future periods, normally ranging from 30 to 180 days after delivery to the customer. For the purposes of IAS 39, the provisional sale is considered to contain an embedded derivative (i.e. the forward contract for which the provisional sale is subsequently adjusted) which is separated from the host contract (i.e. the sale of metals contained in the concentrate or cathode at the provisional invoice price less tolling charges deducted).

Quiñenco

Quiñenco S.A., a Chilean financial and industrial conglomerate under the control of the Luksic family and listed on the Santiago Stock Exchange.

Realised Prices

Effective sale price achieved comparing revenues (grossed up for tolling charges for concentrate) with sales volumes.

ROCE

Return on Capital Employed.

SENCE

Servicio Nacional de Capacitación y Empleo de Chile (Chilean National Training and Employment Service).

Severity Rate

Number of lost days during the year in relation to the number of hours worked.

Sterling

United Kingdom currency.

SVS

Superintendencia de Valores y Seguros de Chile, the Chilean securities regulator.

Tethyan

Tethyan Copper Company Limited, a 50%-owned joint venture entity of the Group incorporated in Australia.

TSR

Total Shareholder Return, being the movement in the Company's share price plus reinvested dividends.

Turnbull Guidance

The revised guidance on internal control for directors on Combined Code issued by the Turnbull Review Group in October 2005.

UF

Unidad de Fomento, an inflation-adjusted unit of account used in Chile.

UK

United Kingdom.

UKLA

United Kingdom Listing Authority.

US

United States.

US Dollars

United States currency.

Glossary and Definitions continued

Mining Industry

Brownfield Project

A development or exploration project in the vicinity of an existing operation.

By-products (credits in copper concentrates)

Products obtained as result of copper processing. The Los Pelambres mine produces molybdenum concentrate and also receives credit for the gold and silver content in the copper concentrate sold.

Cathode Copper

Refined copper produced by electrolytic refining of impure copper by electro-winning.

Concentrate

The product of a physical concentration process, such as flotation or gravity concentration, which involves separating ore minerals from unwanted waste rock. Concentrates require subsequent processing (such as smelting or leaching) to break down or dissolve the ore minerals and obtain the desired elements, usually metals.

Contained Copper

The proportion or quantity of copper contained in a given quantity of ore or concentrate.

Cut-off Grade

The lowest grade of mineralised material considered economic to process and used in the calculation of ore reserves and mineral resources.

Grade A Copper Cathode

Highest quality copper cathode (LME registered and certificated in the case of Michilla and El Tesoro).

Greenfield Project

The development or exploration of a new project not previously examined.

Flotation

A process by which chemicals are added to materials in a solution which are attracted to bubbles and float, whilst other materials sink, resulting in the production of concentrate.

Heap Leaching

A process for the recovery of copper from ore. The crushed material is laid on a slightly sloping, impermeable pad and leached by uniformly trickling (gravity fed) chemical solution through the beds to ponds. The metal is then recovered from the solution through the SX-EW process.

JORC

Joint Ore Reserves Committee of Australia.

Leaching

The process by which a soluble mineral can be economically recovered by dissolution.

LOM or Life Of Mine

The remaining life of a mine expressed in years, calculated by reference to scheduled production rates (i.e. comparing the rate at which ore is expected to be extracted from the mine to current defined reserves).

Mineral Resources

Material of intrinsic economic interest occurring in such form and quantity that there are reasonable prospects for eventual economic extraction. Mineral resources are stated inclusive of ore reserves, as defined by JORC.

MW

Megawatts (one million watts).

Open Pit

Mine working or excavation which is open to the surface.

Ore

Rock from which metal(s) or mineral(s) can be economically and legally extracted.

Ore Grade

The relative quantity, or the percentage, of metal content in an orebody or quantity of processed ore.

Ore Reserves

Part of Mineral Resources for which appropriate assessments have been carried out to demonstrate at a given date extraction could be reasonably justified and which include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

Oxide and Sulphide Ores

Different kinds of ore containing copper. Oxide ore occurs on the weathered surface of ore-rich lodes and normally results in the production of cathode copper through a heap-leaching process. Sulphide ore comes from unweathered parent ores process and normally results in the production of concentrate through a flotation process which then requires smelting and refining to produce cathode copper.

Payable Copper

The proportion or quantity of contained copper for which payment is received after metallurgical deduction.

PM10 Limit

The air quality standard PM-10 (Environmental Protection Agency – US) includes particles with a diameter of 10 micrometres (10 microns) or less (0.0004 inches or one-seventh the width of a human hair).

Porphyry

A large body of rock which contains disseminated chalcopyrite and other sulphide minerals. Such a deposit is mined in bulk on a large scale, generally in open pits, for copper and its by-product molybdenum.

Price Participation

Part of the tolling charges for copper concentrate under a sales agreement, usually in addition to TC/RCs and calculated a percentage of the difference between the copper price at final pricing and an agreed reference copper price, and which may result in an increase or decrease to TC/RCs.

Price Sharing

Tolling charges calculated under a sales agreement as an agreed percentage of the price for the metal contained in copper concentrate, as an alternative to TC/RCs and/or price participation.

Stockpile

Material extracted and piled for future use.

SX-EW

Solvent Extraction and Electro Winning. A process for extracting metal from an ore and producing pure metal. First the metal is leached into solution; the resulting solution is then purified in the solvent extraction process; the solution is then treated in an electro chemical process (electro winning) to recover cathode copper.

Tailings Dam

Construction used to deposit the rock waste which remains as a result of the concentrating process after the recoverable minerals have been extracted in concentrate form.

TC/RC

Treatment and refining charges, being terms used to set the smelting and refining charge or margin for processing copper concentrate and normally set either on an annual basis or on a spot basis.

Tpd

Tonnes per day, normally with reference to the quantity of ore processed over a given period of time expressed as a daily average.

Tolling Charges

Charges or margins for converting concentrate into finished metal. These include TC/RCs, price participation and price sharing for copper concentrate and roasting charges for molybdenum concentrate.

Underground Mine

Natural or man-made excavation under the surface of the Earth.

Currency Abbreviations

US cents – Cents of US Dollars.

US\$ – US Dollar.

US\$'000 – Thousand US Dollars.

US\$m – Million US Dollars.

£ – Pounds Sterling.

£'000 – Thousand Pounds Sterling.

£m – Million Pounds Sterling.

P – Pence.

Ch\$ – Chilean Peso.

CH\$'000 – Thousand Chilean Pesos.

Ch\$m – Million Chilean Pesos.

A\$ – Australian Dollars.

A\$'000 – Thousand Australian Dollars.

A\$m – Million Australian Dollars.

Definitions and Conversion of Weights and Measures

g/t – grammes per tonne.

lb – pound.

Ounce or oz – a troy ounce.

'000 m³ – thousand cubic metres.

'000 tonnes – thousand tonnes.

1 kilogramme = 2.2046 pounds.

1 metric tonnes = 1,000 kilogrammes.

1 kilometre = 0.6214 miles.

1 troy ounce = 31.1 grammes.

Chemical Symbols

Cu – Copper.

Mo – Molybdenum.

Au – Gold.

Ag – Silver.