

Antofagasta plc

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NEWS RELEASE

ANTOFAGASTA PLC ANNOUNCES THAT IT WILL PROCEED WITH MAJOR DRILL PROGRAMME IN 2001, FOLLOWING SCOPING STUDY

LONDON: Monday, 04 December 2000 – Antofagasta plc announces that following the discovery of significant copper and molybdenum mineralization at the Magistral project in Northern Perú and the completion of an internal scoping study, Anaconda Perú, its wholly owned subsidiary, has elected to proceed with a Second Phase exploration programme. As part of the programme, Anaconda Perú will spend up to US \$2,950,000 by December 31 2001, including 14,000 metres of diamond drilling.

Copper/molybdenum mineralization occurs at Magistral in a setting composed of well mineralised porphyry and adjacent skarn. In 1999 and 2000 Anaconda Perú completed 8,500 metres of diamond drilling in 27 holes. The saddle-shaped mineralised body is some 1,200 metres long, 125 metres in thickness and extends to a depth of 350 metres. The mineralization remains open at depth.

A new company, Ancash Cobre S.A., has been formed in Perú by Inca Pacific to hold all the Magistral assets. Anaconda Perú will receive a 30% interest in this company when it exercises the underlying option between Inca Pacific and Banco Minero del Perú by paying an additional US \$400,000 to Banco Minero del Perú and delivering the scoping study. Upon completion of the 2001 programme the project will be at the Pre-Feasibility stage and Anaconda Perú will acquire a 51% interest in the project.

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