

Antofagasta and CVRD agree Exploration Joint Venture in Peru

LONDON 7 June 2002 – Antofagasta announces a joint venture with Companhia Vale Do Rio Doce (“CVRD”), the world’s largest producer and exporter of iron ore and pellets based in Rio de Janeiro, Brazil. The agreement covers mining exploration activities within an extended area located near Cuzco in the southwest Cordillera, one of the main metallogenic copper belts in Peru.

Under the agreement, Anaconda Perú S.A., a wholly-owned subsidiary of Antofagasta plc, will transfer its exploration properties and rights in the area into a newly formed Peruvian company. The agreement also provides for CVRD to acquire a 50% interest in the joint venture company after spending US\$6.7 million over a three-year period on an exploration and evaluation programme of the mining properties.

The joint venture will boost Antofagasta’s exploration programme in Peru and complement its existing exploration activities in Chile. Antofagasta’s copper production for 2002 is expected to exceed 460,000 tonnes at an average cash cost of 41 cents per pound.

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