

28 October 2004

Highlights

- **Group copper production was 130,700 tonnes, an increase of 3.4% over the previous quarter. All three mines increased their production in Q3.**
- **Group cash costs remained low at 24.9 cents per pound (Q2 – 21.9 cents per pound), as Los Pelambres continued to benefit from strong molybdenum prices.**

Group Total	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Acc 2004	Acc 2003	Full Year 2003
Total copper production ('000 tonnes)	109.0	126.4	130.7		366.1	349.4	471.8
Weighted average cash costs (cents per pound)	41.9	21.9	24.9		28.9	36.5	36.4

Los Pelambres

Copper production increased by 1.0% compared to the previous quarter, and reached 93,500 tonnes. Los Pelambres benefited from the optimisation of the grinding lines during the year, which enabled the ore processing level to reach 128,400 tonnes per day (tpd) compared with 127,300 tpd in Q2. The higher ore throughput, together with improved recoveries at the plant, offset a slightly lower ore grade. In addition, higher plant utilisation particularly in the latter part of Q3 compensated for the effect of the maintenance programme in July.

Cash costs remained exceptionally low at 8.8 cents per pound, compared with 6.2 cents in Q2. Los Pelambres continued to benefit from high molybdenum prices, which averaged US\$16.70 in the quarter. As a result of these prices, by-product credits were 40.9 cents per pound in Q3 compared to 42.3 cents in Q2.

El Tesoro

Cathode production in Q3 was 24,600 tonnes, 7.4% above the previous quarter. The increase was due to improved metallurgical recoveries together with a higher ore processing level following improvements to the crushing lines. Ore throughput in the quarter averaged 27,000 tonnes per day, the highest level achieved since operations began.

Cash costs in Q3 increased by 2.4% to 55.2 cents. This was mainly due to an increase in the amount of material moved at the mine in the early part of the quarter as well as higher sulphuric acid costs resulting from increased consumption and higher spot prices.

Michilla

This quarter's cathode production reached 12,600 tonnes, an increase of 15.6% over Q2, as ore extraction and production returned to normal levels following changes to mining methods to avoid old mine workings encountered in the first half of the year.

Cash costs in Q3 were 85.4 cents per pound, 3.7% below the previous quarter. The decrease was mainly due to the combination of higher throughput and the better ore grade.

Transport (FCAB)

Transport volumes remained strong, with tonnages increasing 8% over the previous quarter.

Aguas de Antofagasta S.A.

Aguas de Antofagasta has continued to perform satisfactorily, with continued progress in its plans to improve service and reduce costs. Water volumes supplied in the first nine months of this year amounted to 24.2 million m³, a 5.8% increase over the comparable period last year when the water distribution and treatment facilities were controlled by ESSAN.

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Los Pelambres	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Acc 2004	Acc 2003	Full Year 2003
Daily average ore treated ('000 tonnes)	115.4	127.3	128.4		123.7	109.1	113.3
Average ore grade (%)	0.84	0.93	0.91		0.89	0.93	0.91
Average recovery (%)	87.4	88.7	89.3		88.5	90.1	89.9
Concentrate produced ('000 tonnes)	186.9	266.6	254.1		707.6	609.2	826.5
Average concentrate grade (%)	40.0	36.0	38.0		37.8	41.0	40.9
Fine copper in concentrate ('000 tonnes)	74.8	95.9	96.7		267.4	249.6	337.8
Payable copper in concentrate ('000 tonnes)	72.4	92.6	93.5		258.5	241.5	326.7
Payable moly in concentrate ('000 tonnes)	1.8	1.9	2.1		5.8	6.0	8.7
Cash costs (cents per pound)	33.3	6.2	8.8		14.7	30.1	29.3

El Tesoro	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Acc 2004	Acc 2003	Full Year 2003
Daily average ore treated ('000 tonnes)	24.2	24.2	27.0		25.1	21.4	22.1
Average ore grade (%)	1.35	1.33	1.33		1.34	1.50	1.46
Average recovery (%)	81.0	75.4	77.9		78.1	78.2	78.2
Copper cathodes ('000 tonnes)	24.0	22.9	24.6		71.5	69.5	92.4
Cash costs (cents per pound)	47.2	53.9	55.2		52.1	41.0	42.4

Quarterly Production Report

Q3 2004

Michilla	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Acc 2004	Acc 2003	Full Year 2003
Daily average ore treated ('000 tonnes)	16.8	15.1	16.2		16.0	15.2	15.6
Average ore grade (%)	1.09	1.06	1.15		1.10	1.26	1.25
Average recovery (%)	75.2	74.9	74.8		75.0	74.8	75.0
Copper cathodes ('000 tonnes)	12.6	10.9	12.6		36.2	38.4	52.7
Cash costs (cents per pound)	81.2	88.7	85.4		84.9	69.0	69.8

Transport	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Acc 2004	Acc 2003	Full Year 2003
Rail tonnage transported ('000 tons)	1,056	1,076	1,165		3,297	3,194	4,388