

26 January 2005

Highlights

- Annual group copper production increased by 5.6% to 498,400 tonnes in 2004.
- Group cash costs for the year reduced by 33.2% to 24.3 cents per pound in 2004, as Los Pelambres benefited from exceptional molybdenum prices.

Group Total	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Full Year 2003
Total copper production ('000 tonnes)	109.0	126.4	130.7	132.2	498.4	471.8
Weighted average cash costs (cents per pound)	41.9	21.9	24.9	11.6	24.3	36.4

Los Pelambres

Los Pelambres produced 350,600 tonnes in 2004 – an increase of 7.3% over 2003. The increase was primarily due to the completion of modifications to the grinding lines at the end of the previous year. The resulting increase in the processing level compensated for lower ore grades and lower recoveries. Shipments of concentrate in 2004 amounted to 352,200 tonnes. Molybdenum production was 9.6% lower at 7,900 tonnes, due to lower ore grades and lower recoveries.

Annual cash costs averaged 7.9 cents per pound, a significant decrease of 73.1% over 2003. The main reason for this exceptionally low figure was the substantial increase in the market price of Molybdenum, which averaged US\$16.2 per pound in 2004 compared to US\$5.3 per pound in 2003. Consequently the by-product credit for 2004 was equivalent to 45.8 cents per pound of copper produced, an increase of 181.3% over the by-product credit of 16.3 cents in 2003. Los Pelambres' cash costs in 2004 Q4 were negative 11.3 cents.

El Tesoro

In 2004, El Tesoro produced 97,800 tonnes of cathodes – 5.8% more than in 2003. Optimisation of the crushing line resulted in a higher level of ore processed, which compensated for lower grades and marginally lower recoveries. Ore crushing capacity has now been raised to 9.7 million tonnes per year compared to the previous 9.0 million tonnes level.

The average cash cost in 2004 increased to 52.4 cents per pound compared to 42.4 cents per pound in 2003. A combination of lower ore grades, higher costs of sulphuric acid and fuel as well as a higher waste to ore ratio in the mine caused the increase.

Michilla

Cathode production was 50,000 tonnes compared to 52,700 tonnes in 2003. The fall in production was caused by a reduction in grades during the period and some operational problems – since resolved – which were encountered at the beginning of the year. The impact on production of the lower grades was partly lessened by the higher ore throughput achieved. Notwithstanding, Michilla's production in the last quarter of 2004 recovered strongly to a production level of 13,800 tonnes which exceeded the average quarterly production level in 2003.

Michilla's cash cost increased from 69.8 cents per pound in 2003 to 85.6 cents per pound in 2004. Once again, lower grades and higher sulphuric acid and fuel costs were the principal reasons, accentuated by a stronger Chilean peso.

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Transport (FCAB)

Freight carried in 2004 increased to 4.5 million tons – a new all time record for the railway. In Q4, the FCAB acquired a 30% stake in the Antofagasta International Terminal for US\$2.9 million, continuing its strategy of making acquisitions which can broaden its services to clients in the region.

Aguas de Antofagasta S.A.

Water sales reached 32.6 million cubic metres and exceeded FCAB's expectations at the time the concession was acquired in December 2003.

Los Pelambres	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Full Year 2003
Daily average ore treated ('000 tonnes)	115.4	127.3	128.4	132.2	125.9	113.3
Average ore grade (%)	0.84	0.93	0.91	0.86	0.88	0.91
Average recovery (%)	87.4	88.7	89.3	90.6	89.1	89.9
Concentrate produced ('000 tonnes)	186.9	266.6	254.1	241.1	948.8	826.5
Average concentrate grade (%)	40.0	36.0	38.0	39.5	38.2	40.9
Fine copper in concentrate ('000 tonnes)	74.8	95.9	96.7	95.2	362.6	337.8
Payable copper in concentrate ('000 tonnes)	72.4	92.6	93.5	92.1	350.6	326.7
Payable moly ('000 tonnes)	1.8	1.9	2.1	2.1	7.9	8.7
Cash costs (cents per pound)	33.3	6.2	8.8	(11.3)	7.9	29.3

El Tesoro	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Full Year 2003
Daily average ore treated ('000 tonnes)	24.2	24.2	27.0	26.0	25.4	22.1
Average ore grade (%)	1.35	1.33	1.33	1.39	1.35	1.46
Average recovery (%)	81.0	75.4	77.9	78.3	78.1	78.2
Copper cathodes ('000 tonnes)	24.0	22.9	24.6	26.3	97.8	92.4
Cash costs (cents per pound)	47.2	53.9	55.2	53.2	52.4	42.4

Michilla	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Full Year 2003
Daily average ore treated ('000 tonnes)	16.8	15.1	16.2	16.4	16.1	15.6
Average ore grade (%)	1.09	1.06	1.15	1.13	1.11	1.25
Average recovery (%)	75.2	74.9	74.8	76.6	75.4	75.0
Copper cathodes ('000 tonnes)	12.6	10.9	12.6	13.8	50.0	52.7
Cash costs (cents per pound)	81.2	88.7	85.4	87.4	85.6	69.8

Transport	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004	Full Year 2003
Rail tonnage transported ('000 tons)	1,056	1,076	1,165	1,182	4,479	4,388

Water	Q1 2004	Q2 2004	Q3 2004	Q4 2004	Full Year 2004
Water volume sold – potable and untreated ('000 m ³)	7,937	8,088	8,203	8,347	32,575