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**COMMENTS MADE BY MR. JEAN-PAUL LUKSIC, CHAIRMAN
AT THE ANNUAL GENERAL MEETING**

London: 14 June 2005:- Copper production overall was slightly up on forecasts for the first five months at 194,800 tonnes of payable copper and we should meet the 2005 forecast of 470,000 tonnes.

Los Pelambres saw an increase compared to the same period last year from 129,000 tonnes of payable copper to 132,500 tonnes in the first five months. I should also mention that your Board has, as anticipated, now formally ratified the Pelambres board decision for the expansion of ore throughput from 125,000 tonnes per day to 140,000 tonnes per day. The cost of this expansion is estimated at US\$180 million and is expected to be completed by mid-2007. This first step in our latest expansion plans further enhances the economics of the Los Pelambres operation and allows further incremental expansions which are currently in the planning stage. Work on the US\$457 million Mauro tailings dam project is also now under way and the project is on time although these are early days. You will recall that provision for this sum has already been made from cash-flow.

El Tesoro continues to do better than expected and crushing plant expansion will average 10.5 million tonnes per year. Increased plant capacity will grow as mentioned after a marginal \$7 million investment.

The Michilla mine is facing some difficulties with lower production due to declining grades and a tunnel landslide: however, this should not have any major impact on Group results overall. In addition we are widening the exploration programme at Michilla to expand the mine life beyond 2011.

We take safety matters very seriously indeed and can report one of the highest safety indices in the industry. Regrettably, however, I have to report one fatal accident at Michilla which was obviously of great concern to us. The Group has always been very conscious of its social and environmental responsibilities. It continues and will continue to exert great effort in this direction and this has been recognised by the Chilean authorities (who set high standards on this) and other institutions in various awards.

A few words on new projects might be appropriate. We have started work on Esperanza, which is near to El Tesoro, and the exploration tunnel is well under way. This will allow us to complete the pre-feasibility study by the end of 2006. We continue to look for growth opportunities both inside and outside Chile.

The Group has benefited from strong commodity prices and the considerable and valuable commitment of its management and personnel.

Both the transport and water companies continue to do well. Mining sector growth in the area to date has been of benefit to both our railway and the water companies with, in addition, some new mining projects in the offing.

Overall the Group's prospects for 2005 are good based on copper and molybdenum prices. We believe that copper market conditions will continue firm due to critically low stock levels; however, the copper price should ease slightly towards the end of the year when the smelter maintenance shutdowns finish. The molybdenum market has also benefited from high steel consumption in China and the growing demand for catalyst fabrications worldwide.

Before concluding, I should mention the matter of the proposed royalty charges specific to the mining industry in Chile. Congress approved in May the imposition of a 5% mining tax on operational profits. Whilst regrettable, we estimate the overall impact on the Group as adding 3% on the effective tax rate. Nevertheless, the impact has been capped considering that mining property rights have not been affected and that companies may enter into a contract with the Chilean State that cannot be modified by a future law and which guarantees that there will be no further specific taxes for mining for a period of 12 years.

As you will recall, 2004 was an excellent year for Antofagasta, and based on commodity prices and performance to date, 2005 should be another very good year. Our financial position remains very solid and we have now initiated a key project for the future development of the Group. We will continue to focus on developing our very promising opportunities for growth.

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