

31 October 2006

Highlights

- **Group copper production in Q3 was 126,400 tonnes compared with 100,900 tonnes in Q2, reflecting higher production at all three mines.**
- **Molybdenum production at Los Pelambres in Q3 increased to 2,900 tonnes compared with 2,100 tonnes in Q2.**
- **Group cash costs for Q3 fell 12.5 cents to 31.4 cents per pound, mainly due to improved by-product credits.**

Group Total	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Total production of payable copper ('000 tonnes)	107.0	100.9	126.4		334.3	343.4	467.3
Total production of payable moly ('000 tonnes)	2.0	2.1	2.9		7.0	6.7	8.7
Weighted average cash costs (cents per pound)	49.7	43.9	31.4		41.0	4.8	13.9

Los Pelambres

Los Pelambres produced 88,800 tonnes of payable copper in Q3, an increase of 31.5% over the previous quarter. This was mainly due to the release of unfiltered copper concentrate from the concentrator plant to the port which built-up in Q2 when repairs to the slurry pipeline took place. The increased production also resulted from higher daily ore throughput at the concentrator plant as Los Pelambres started to benefit from the 140,000 tonnes per day expansion project currently in progress, as well as higher recoveries. These factors were partly offset by the effect of the ore grade which as expected was lower this quarter.

Molybdenum production in Q3 increased to 2,900 tonnes compared with 2,100 tonnes in Q2. This reflected the higher ore throughput level and changes in the level of partly-processed molybdenum concentrate and, to a lesser extent, the higher molybdenum ore grade and improved recoveries.

Cash costs in Q3 were 5.7 cents per pound, compared with 18.5 cents per pound in Q2. This mainly resulted from improved by-product credits (which increased by 9.0 cents) and lower treatment and refining charges (which decreased by 3.5 cents). Improved by-product credits resulted mainly from the higher molybdenum production and, to a lesser extent, higher molybdenum market prices (which averaged US\$26.3 per pound compared with US\$24.4 per pound in Q2). Onsite and shipping costs for Q3 were marginally below Q2.

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El Tesoro

Cathode production at El Tesoro in Q3 was 25,900 tonnes, an 18.9% increase over the previous quarter. This was mainly due to higher than expected recoveries mainly as a result of lower carbonates. Cathode production also benefited from the improved ore grade which rose in Q3 in line with budget.

Cash costs in Q3 were 76.1 cents per pound, 2.7 cents below the previous quarter. This resulted principally from the higher production level this quarter.

Michilla

Michilla produced 11,700 tonnes of copper cathodes in Q3, marginally above Q2. The expected decrease in the ore grade and lower processing level were offset by higher recoveries. The improved recoveries were due to the higher proportion of sulphide ores (which yield higher recoveries than oxide ores) processed in the period.

Cash costs in Q3 were 127.8 cents per pound, 3.9 cents per pound above Q2. This was mainly due to higher transport costs as a result of increased costs of tyres and fuel.

Transport

Rail tonnages in Q3 were 1,104,000 tons, recovering from the temporary decrease experienced the previous quarter. Road tonnages of 361,000 remained in line with previous quarters.

Water

The water division continued to perform strongly, with year-to-date volumes increasing 13.6% over the previous year. Volumes in Q3, usually the weakest seasonal quarter, exceeded the previous two quarters mainly due to increased sales to the mining sector.

Los Pelambres	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Production statistics							
Daily average ore treated ('000 tonnes)	120.9	119.5	130.0		123.5	128.3	128.1
Average ore grade (%)	0.81	0.84	0.78		0.81	0.79	0.80
Average recovery (%)	88.1	88.2	89.3		88.6	89.8	89.2
Concentrate produced ('000 tonnes)	194.8	200.2	207.4		602.4	645.4	865.1
Average concentrate grade (%)	39.6	40.0	40.2		40.0	38.4	38.5
Fine copper in concentrate ('000 tonnes)	76.6	69.8	91.8		238.2	244.0	333.8
Payable copper in concentrate ('000 tonnes)	74.1	67.5	88.8		230.4	235.9	322.8
Average moly ore grade (%)	0.026	0.027	0.028		0.027	0.023	0.022
Average moly recovery (%)	74.4	76.0	77.8		76.2	80.0	79.9
Payable moly ('000 tonnes)	2.0	2.1	2.9		7.0	6.7	8.7
Cash costs statistics							
On-site and shipment costs (cents per pound)	54.5	56.8	56.5		55.9	44.6	47.1
Tolling charges for concentrates (cents per pound)	34.8	45.4	41.9		40.6	27.2	27.6
By - product credits (cents per pound) *	(59.5)	(83.7)	(92.7)		(79.4)	(101.5)	(91.8)
Cash costs (cents per pound)	29.8	18.5	5.7		17.2	(29.7)	(17.1)

(*) Note: By-products credits do not include any costs attributable to the production of molybdenum concentrate. By-product calculations also do not take into account unrealised mark-to-market gains at the beginning or end of each period.

El Tesoro	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Daily average ore treated ('000 tonnes)	29.7	28.6	27.9		28.7	26.1	27.2
Average ore grade (%)	0.99	1.18	1.25		1.14	1.28	1.23
Average recovery (%)	77.9	73.9	80.4		77.4	79.7	80.2
Copper cathodes ('000 tonnes)	20.8	21.8	25.9		68.4	73.8	98.1
Cash costs (cents per pound)	79.6	79.8	76.1		78.3	63.5	66.1

Michilla	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Daily average ore treated ('000 tonnes)	14.6	15.4	15.0		15.0	14.9	14.9
Average ore grade (%)	1.13	1.07	1.03		1.07	1.07	1.10
Average recovery (%)	76.2	76.4	80.9		77.8	75.5	75.4
Copper cathodes ('000 tonnes)	12.1	11.6	11.7		35.4	33.7	46.4
Cash costs (cents per pound)	120.2	123.9	127.8		123.9	117.3	118.8

Transport	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Rail tonnage transported ('000 tons)	1,122	1,011	1,104		3,237	3,301	4,336
Road tonnage transported ('000 tons)	383	367	361		1,111	1,122	1,522

Water	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Water volume sold – potable and untreated ('000 m ³) **	9,304	9,231	9,328		27,864	24,526	33,074

(**) Note: Water volumes include water transportation of 270,000 m³ in Q1, 740,000 m³ in Q2 and 254,000 m³ in Q3.