

3 May 2006

Highlights

- Group copper production in Q1 of 107,000 tonnes is in line with forecast but 8.4% below the quarterly average for 2005.
- Molybdenum production at Los Pelambres in Q1 was 2,000 tonnes, compared with 8,700 tonnes for the 2005 full year.
- Group cash costs for Q1 were 49.7 c/lb compared with 13.9 c/lb in 2005, mainly due to lower molybdenum prices in Q1 compared with 2005.

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				107.0	118.9	467.3
Total production of payable moly ('000 tonnes)	2.0				2.0	2.2	8.7
Weighted average cash costs (cents per pound)	49.7				49.7	(7.9)	13.9

Los Pelambres

Los Pelambres produced 74,100 tonnes of payable copper in the first quarter, in line with forecast but 8.1% below the quarterly average for 2005. The decrease was mainly due to lower throughput which resulted from a higher proportion of harder primary ore under the current phase of the mine plan. The decrease in production was also due to lower recoveries, partly compensated by the higher ore grade.

Molybdenum production in the first quarter was 2,000 tonnes, 7.7% below the quarterly average for 2005. The decrease was mainly due to the lower throughput of ore and lower recoveries, offset by the higher molybdenum grade.

Cash costs in the quarter increased to 29.8 c/lb, compared with negative 17.1 c/lb for 2005. The increase was mainly due to the lower by-product credit which decreased by 32.3 c/lb, resulting from lower market molybdenum prices (which averaged US\$23.0/lb in the first quarter against US\$32.0/lb in 2005). Molybdenum production was also lower this quarter. Treatment and refining charges increased by 7.2 c/lb, mainly due to price participation by smelters as the LME copper price increased in the first quarter of 2006. On site and shipping costs rose by 7.4 c/lb compared with 2005 but remained in line with the fourth quarter of last year. The increase was due mainly to the lower production level, together with higher shipping costs, fuel prices and a stronger Chilean peso.

El Tesoro

Cathode production at El Tesoro was 20,800 tonnes in the first quarter, 3,800 tonnes below the quarterly average for 2005. This was mainly due to the expected lower ore grade combined with lower recoveries, compensated in part by the higher processing level following the completion of the 10.5 million tonnes per year throughput expansion at the beginning of this year.

Cash costs at El Tesoro were 79.6 c/lb this quarter, 13.5 cents higher than the average for 2005, due to the lower production level and higher movement of material at the mine (which increased 19.3% compared with 2005). Higher input costs included fuel and explosives prices and copper price-linked payments.

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Michilla

Michilla produced 12,100 tonnes of copper cathodes in the first quarter, an increase of 4.5% over the quarterly average for 2005. This was due to higher ore grades and improved recoveries, partly offset by the lower expected treatment level.

Cash costs were 120.2 c/lb, marginally above the average for 2005 but lower than the current forecast for the year. The cash costs at Michilla mainly reflect transport and loading costs, as well as higher input costs and the stronger Chilean peso. These factors were mostly offset by the higher production level.

Transport

The transport division continued to perform strongly, with total rail tonnages up 5.3% and road tonnages up 0.6% over the quarterly average for 2005.

Water

The water division had a strong first quarter, with volumes rising to 9.3 million cubic metres. This represented an increase of 12.5% compared with the quarterly average of 2005 and 11.9% with the first quarter of 2005. This reflected both higher domestic consumption and increased sales to mining customers.

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				120.9	129.0	128.1
Average ore grade (%)	0.81				0.81	0.79	0.80
Average recovery (%)	88.1				88.1	91.0	89.2
Concentrate produced ('000 tonnes)	194.8				194.8	222.0	865.1
Average concentrate grade (%)	39.6				39.6	37.5	38.5
Fine copper in concentrate ('000 tonnes)	76.6				76.6	83.3	333.8
Payable copper in concentrate ('000 tonnes)	74.1				74.1	80.6	322.8
Average moly ore grade (%)	0.026				0.026	0.024	0.022
Average moly recovery (%)	74.4				74.4	78.1	79.9
Payable moly ('000 tonnes)	2.0				2.0	2.2	8.7
Cash costs statistics							
On-site and shipment costs (cents per pound)	54.5				54.5	41.8	47.1
Tolling charges for concentrates (cents per pound)	34.8				34.8	22.2	27.6
By - product credits (cents per pound) *	(59.5)				(59.5)	(109.9)	(91.8)
Cash costs (cents per pound)	29.8				29.8	(45.9)	(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				29.7	26.3	27.2
Average ore grade (%)	0.99				0.99	1.34	1.23
Average recovery (%)	77.9				77.9	82.4	80.2
Copper cathodes ('000 tonnes)	20.8				20.8	26.3	98.1
Cash costs (cents per pound)	79.6				79.6	57.8	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				14.6	15.3	14.9
Average ore grade (%)	1.13				1.13	1.09	1.10
Average recovery (%)	76.2				76.2	76.1	75.4
Copper cathodes ('000 tonnes)	12.1				12.1	12.0	46.4
Cash costs (cents per pound)	120.2				120.2	102.4	118.8

Transport	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Acc 2006	Acc 2005	Full Year 2005
Rail tonnage transported ('000 tons)	1,141				1,141	1,126	4,336
Road tonnage transported ('000 tons)	383				383	348	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				9,304	8,315	33,074

(**) Note: Water volumes include water transportation of 270,000 m³ in Q1.