ANTOFAGASTA PLC

For immediate release

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COMMENTS MADE BY MR. JEAN-PAUL LUKSIC, CHAIRMAN, AT THE 2006 ANNUAL GENERAL MEETING

London, 14 June 2006

I would like to give you a brief update on where we are as a Group today.

Copper and molybdenum prices were very strong in 2005 and this trend has continued into 2006 with a LME copper record cash price on 18th May of US$3.98 per lb. On the same date last year it was US$1.49 per lb. Copper prices have recently fallen back as the market responded to the fears of rising interest rates and the impact this might have on the world economy. In addition there has been some profit taking. We foresee a strong market based on the fundamentals of low and declining stocks in parallel with continuing demand in the main consuming countries, altogether in a limited supply growth environment. Molybdenum prices, which peaked in 2005 at nearly US$40 per lb., corrected downwards towards the end of 2005 but seem to have found good support at around US$25, still well above historical levels. The effect of all this has been that we have seen very strong cash generation and profitability and this has resulted in record results.

Accordingly, as announced in March 2006, the Board is pleased to recommend an ordinary final dividend for the year 2005 of US$0.24 per share making a total ordinary dividend for the year of US$0.40 (which level we regard as sustainable for the future) and up 2.56% from the US$0.39 of the previous year. We are also recommending a special dividend of US$0.70 cents reflecting the exceptional level of commodity prices, making a total for the year of US$1.10 compared with US$0.79 in the previous year. This final dividend will be formally proposed later in the meeting along with other recommendations of a good housekeeping nature including updating the Articles of Association and a reorganisation of the capital structure of the Company through a 4 for 1 bonus issue, the effect of which will be to bring our share price more into line with other companies trading on the London Stock Exchange.

It is very difficult to anticipate the direction of copper and molybdenum prices for the rest of the year and we are now facing extreme volatility as the market tries to find equilibrium. It does seem, however, that we must accept that commodity prices have moved to higher sustainable levels than in the past not least because the cost drivers in our business – sulphuric acid, energy, fuel oil, steel, etc., have increased enormously since last year together with a considerable strengthening of the Chilean peso.

As reflected in other mining companies' announcements, mine grades inevitably deteriorate over time. This has also, of course, been true for us and production has fallen slightly and cash costs have risen. In the four months to 30th April this year overall copper production was at 141,300 tonnes against 155,300 tonnes in the same period in 2005, a fall of 9.0% largely resulting from this grade decline. Cash costs before by-product credits in the same period rose from US 67.7 cents to US 92.0 cents per lb., very much in line with the first quarter numbers we reported in March and reflecting broad industry pressures including smelting and refining charges, adverse exchange rate movements and higher input costs such as fuel. After adjusting for by-product credits, cash costs have increased from a negative US 7.9 cents to US 47.9 cents per lb., reflecting the same cost pressures and lower molybdenum prices.

We continue to work hard on improving the Environmental and Corporate Social Responsibility, Corporate Governance and Safety fronts which now make up a large part of the Annual Report. The

Board of Antofagasta recognise that these aspects are of great importance to the Company and we take all these areas very seriously indeed.

Topical matters which I will now comment on are varied.

Before the end of June we will be completing the take-over at a final acquisition cost of approximately US$220 million of the Tethyan Copper Company Limited, the Australian company which owns the Reko Dik ore-body exploration licences in the Baluchistan region of Pakistan. Reko-Diq has a reported and inferred mineral resource of 2.4 billion tonnes with a copper grade of 0.51 per cent and a gold grade of 0.27 g/t. As part of the transaction we will be terminating the clawback rights over these licences which are currently held by BHP Billiton. We are pleased here, as reported in the Annual Report, that Barrick Gold Corporation of Canada will join us as equal partners in this venture and has agreed to bear 50% of the associated acquisition costs. We feel that this investment represents a great opportunity for us in a country with tremendous mining potential and a climate encouraging foreign investment.

We continue to study other possible new acquisitions around the world – although there is, logically, an emphasis on Latin America. The Tethyan acquisition has shown that we do not rule out looking further a field but we especially look for projects that allow us to utilise our best skills and in-built knowledge and thereby add real value. We decided last month that the particular project we were working on with CVRD in Peru at Cordillera de las Minas was interesting but not of a sufficient size to justify further investment. At the risk of repeating myself, we are actively looking for opportunities to expand and grow the business and I do not expect this attitude to change.

Within Chile we continue to study the options for the further expansion of the Los Pelambres mine beyond the 3.1 billion tonne resource. We are, as already announced, expanding production from 125,000 tonnes to 140,000 tonnes per day ore throughput and this project is well under way and, if all goes smoothly, should be finished two months early in mid 2007 at a cost of US$180 million. The Mauro tailings dam construction also continues apace and we are now well advanced on this project expecting work to be completed on this project in early 2008. As indicated in March, however, costs for this project are expected to be approximately 15% higher than the original estimate of US$457 million and are now expected to be around US$534 million reflecting higher steel prices, engineering and energy costs etc., and accounting for the appreciation of the Chilean peso.

At Tesoro we are concentrating on increasing the throughput capacity of the plant to 10.5 million tonnes of ore per year from 9.0 million. We are also exploring the immediate area around Tesoro which belongs to Antofagasta in order to increase the mine resource. In passing I might also mention the very real efforts being made by El Tesoro to optimise water consumption so as to address the new restrictions now being imposed on water usage in the Atacama desert.

As mentioned in the Annual Report, production levels at Michilla, which is a high cost mine with limited reserves, may be reduced from the current 42,000 tonnes per year level. The Board expects to take a decision on this by the third quarter of this year. We are also looking at the possibility of combining the ore bodies at Buey Muerto and Antucoya, the latter recently acquired from Soquimich for US$8 million which might provide additional ore for processing at the Michilla mine plant.

The Esperanza new mine project is now progressing through its feasibility stage and we hope this work will result in our being able to take a decision on this by early 2007. The exploration decline will be completed by the end of this month and the first conformation results are encouraging. The total drill inferred resources increased to 786 million tonnes with a 0.53% copper grade, 0.20 grams/tonne gold grade and 0.012% molybdenum grade.

Finally I would like to mention the rail and roadtransport and water distribution businesses of the railway company, FCAB, and the water distribution business of Aguas de Antofagasta. You will be aware that new mining activity in the region served by the FCAB has been on the rise, particularly with the developments at Spence, Escondida and the San Cristobal Mine in Bolivia. These are all destined to become new mines or expansions of existing mines and the result of all this should mean a steady growth in business for our distribution companies in the next few years.

To conclude, therefore, I believe you will agree that 2005 was an excellent year for Antofagasta and if copper and molybdenum prices continue at more or less the average level of the first half, 2006 should also be a good year. We continue with a very positive view of the industry and of ourselves, be it further development of existing assets, exploration or, more widely, the potential for new investments and acquisitions that we feel are sensibly priced. For this we have a strong cash flow and a solid cash position. coupled with a very experienced and capable team.

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