

For immediate release

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Antofagasta announces US\$140 million recommended cash offer for Tethyan and proposed subsequent 50:50 joint venture with Barrick Gold in relation to the Reko Diq project

London, 14 February 2006

Antofagasta PLC (“Antofagasta”) is pleased to announce it has reached agreement with Tethyan Copper Company Limited (“Tethyan”) on the terms for a recommended cash offer of A\$1.20 per share for the entire issued share capital of Tethyan (“the Offer”), valuing Tethyan’s fully diluted share capital at approximately A\$190 million (US\$140 million).

Antofagasta has separately entered into an exclusive binding agreement with BHP Billiton whereby BHP Billiton’s rights to claw-back a material interest in certain of Tethyan’s mineral interests (“Claw-Back Right”) may be extinguished or acquired by Antofagasta for a consideration of US\$60 million.

Antofagasta has also entered into an agreement with Barrick Gold Corporation (“Barrick Gold”) to support Antofagasta’s takeover offer for Tethyan, whereby upon acquisition of 100% of Tethyan:

- Antofagasta and Barrick Gold intend to establish a 50:50 joint venture in relation to Tethyan’s copper-gold mineral interests in Pakistan, including the Reko Diq project; and
- Barrick Gold will reimburse Antofagasta for 50 per cent of the acquisition cost of Tethyan and the Claw-Back Right.

The Offer represents a premium of:

- 55% to Skafell Pty Ltd’s hostile cash offer of A\$0.775 per share; and
- 35% to Tethyan’s closing share price of A\$0.89 on the Australian Stock Exchange on 14 February 2006.

The Board of Tethyan has unanimously recommended that shareholders should accept the Offer in the absence of a superior offer emerging and has indicated that the directors will be accepting the Offer for all of their holdings of Tethyan shares they own or control on that basis. In addition, Antofagasta has reached agreement with Mincor Resources NL, a major optionholder, for the cancellation of its options to convert into Tethyan ordinary shares at the offer price (in the absence of a superior offer emerging), representing 7.9% of Tethyan’s fully diluted share capital.

Antofagasta and Tethyan have agreed to terminate the joint venture proposal announced on 23 December 2005.

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Under the agreement with BHP Billiton, Antofagasta has agreed that:

- If it acquires a majority of Tethyan's ordinary shares, it will terminate or acquire the Claw-Back Right for a consideration of US\$60 million; or
- At Antofagasta's option, it may purchase the Claw-Back Right at any time during the currency of the Offer (following the waiver of certain bid conditions) for a consideration of US\$60 million.

Marcelo Awad, CEO of Antofagasta Minerals S.A., stated, *"Following further evaluation by Antofagasta of the copper-gold resource at Reko Diq and the completion of our due diligence we believe the acquisition of Tethyan and a partnership with Barrick Gold is the best way for Antofagasta to advance the development and add value to these highly prospective mineral interests. We believe the combined strength of Antofagasta and Barrick Gold's financial resources and mining and development skills will allow Reko Diq to fulfil its potential to become a world-class copper-gold mining project. Further, this transaction and the partnership of two major mining groups represents a significant commitment to advance the Reko Diq project for the benefit of all stakeholders, including regional and national interests in Pakistan."*

Greg Wilkins, CEO of Barrick Gold said, *"We are delighted to have reached an agreement with Antofagasta to support their bid for Tethyan and look forward to jointly advancing the Reko Diq project and other potential deposits in the region through our combined exploration and development competency. Antofagasta's significant copper and infrastructure expertise and Barrick Gold's large scale gold project development experience will be of significant benefit to the project and all stakeholders."*

Commenting on the attractiveness of the Offer to Tethyan shareholders, Tethyan Managing Director David Moore said: *"This offer recognises the board's long-held view of the value of Tethyan and provides shareholders with a stellar return. We also believe that we are leaving the project in safe hands, with two of the world's leading resource companies committed to taking it forward. We will work with Antofagasta to put this recommended offer to our shareholders as soon as possible."*

The Offer will be made through a wholly owned subsidiary of Antofagasta by way of an off-market takeover bid under the Australian Corporations Act 2001 and will be funded from existing cash resources.

The Offer is subject to a number of conditions including Antofagasta receiving necessary regulatory and governmental approvals and acquiring at least 90 per cent of the number of outstanding ordinary shares in Tethyan. The conditions of the Offer are outlined in Appendix 1 to this press release.

Tethyan has entered into a Deed of Undertaking with Antofagasta in relation to the Offer. This includes a break-fee of A\$1.9 million payable to Antofagasta in certain circumstances, including where control of Tethyan passes to a third party.

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Antofagasta's Bidder's Statement is expected to be lodged with the Australian Securities and Investment Commission and to be dispatched to Tethyan shareholders as soon as practicable.

Rothschild is advising Antofagasta in relation to this Offer.

About Antofagasta PLC

Antofagasta PLC is a Chilean-based mining group listed on the London Stock Exchange and is a constituent of the FTSE-100 index. Its principal mining assets include the Los Pelambres, El Tesoro and Michilla mines and the Esperanza copper project. In addition to copper mining, Antofagasta's interests include rail and road transport operations and water distribution.

About Tethyan Copper Company Limited

Tethyan is a company listed on the Australian Stock Exchange. Its principal assets are a 75% interest in the exploration licence encompassing the highly prospective Chagai Hills region of North West Pakistan known as Reko Diq, which includes the Tanjeel Mineral Resource and the Western Porphyries, and a 100% interest in certain other licences in the region. This mining district hosts significant copper-gold porphyry deposits as part of an extended copper-gold belt. Tethyan has reported total indicated and inferred mineral resource estimates at these properties of 2.4 billion tonnes with a copper grade of 0.51% and a gold grade of 0.27 grams per tonne. The resource estimates include probable reserves at the Tanjeel Mineral Resource of 128.8 million tonnes with a copper grade of 0.7%. Reserve and resource estimates have been reported by Tethyan to JORC standards. Tethyan had gross assets of A\$28.8 million as at 30 June 2005 and reported a net loss of A\$1.7 million for the year ended 30 June 2005.

About Barrick Gold Corporation

Barrick is the world's largest gold mining company based in Toronto, Canada, with a portfolio of 26 operating mines and 8 development projects located in the United States, Canada, Australia, Peru, Chile, Argentina, Tanzania and South Africa¹.

¹ Assumes completion of Barrick Gold's current acquisition of 100% of Placer Dome

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Benjamin Haslem
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Appendix 1

Conditions of the offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

1. Minimum acceptance

Before the end of the Offer Period, APLC and its associates have relevant interests in at least 90% of the Tethyan Shares.

2. Options

During or at the end of the Offer Period, either:

- (a) all Tethyan Options have been exercised, cancelled or transferred to APLC; or
- (b) APLC is entitled to compulsorily acquire all outstanding Tethyan Options in accordance with Chapter 6A of the Corporations Act.

3. FIRB

One of the following occurs before the end of the Offer Period:

- (a) APLC receives written notice issued by or on behalf of the Treasurer stating that there are no objections under the Australian government's foreign investment policy to the acquisition by APLC of all of the Tethyan Shares under the Offer, such notice being unconditional;
- (b) the expiry of the period provided under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) during which the Treasurer may make an order or an interim order under the FATA prohibiting the acquisition of Tethyan Shares under the Offer, without such an order being made; or
- (c) if an interim order is made under the FATA to prohibit the acquisition of Tethyan Shares under the Offer, the subsequent period for making a final order has elapsed, without any such final order being made.

4. Other Regulatory Approvals

- (a) Before the end of the Offer Period, all Regulatory Approvals as are necessary to permit the Offer to be lawfully made to and accepted by Tethyan Shareholders are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
- (b) Before the end of the Offer Period:
 - (i) a novation agreement is entered into under which Tethyan is substituted for BHP Minerals International Exploration Inc. as a party to the Chagai Hills Exploration Joint Venture Agreement; and

- (ii) Tethyan is duly registered as the holder of a 75% interest in EL5 and a 100% interest in EL6 and EL8 in accordance with the Chagai Hills Joint Venture Agreement,

all in accordance with the requirements of the minerals rules and laws of Pakistan and on terms that do not modify the terms and conditions of EL5, EL6 and EL8 or of the Chagai Hills Joint Venture Agreement, other than modifications that do not materially alter the rights and obligations of Tethyan, as successor to BHP Billiton, thereunder from those in effect at the Announcement Date.

5. No regulatory actions

Between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by APLC or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, the Australian Securities and Investments Commission or the Takeovers Panel for the purpose or in exercise of the powers and discretions conferred on it by the Corporations Act) which restrains or prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Tethyan Shares under the Offer.

6. Equal access to information

At all times during the period from the Announcement Date to the end of the Offer Period, Tethyan promptly (and in any event within 2 Business Days) provides to APLC a copy of all information which is not generally available (within the meaning of the Corporations Act) relating to Tethyan or any subsidiary of Tethyan or any of their respective businesses or operations that has been provided by Tethyan or any subsidiary of Tethyan or any of their respective officers, employees, advisers or agents to any person (other than APLC or any other member of the APLC Group) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a transaction under which:

- (a) any person (together with its associates) may acquire voting power of 10% or more in Tethyan or any subsidiary of Tethyan (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act, or otherwise);
- (b) any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Tethyan or of any subsidiary of Tethyan; or
- (c) that person may otherwise acquire control of or merge or amalgamate with Tethyan or any subsidiary of Tethyan.

7. No change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) (in all cases whether subject to conditions or not), as a result of any change of control event in respect of Tethyan (including APLC acquiring shares in Tethyan) or any of its subsidiaries or assets, to:

- (a) terminate or alter any material contractual relations between any person and Tethyan or any of its subsidiaries (for this purpose an alteration includes without limitation an alteration of the operations of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
- (b) require the termination, modification or disposal or offer to dispose of any material interest or asset, corporate body, joint venture or other entity; or
- (c) accelerate or adversely modify the performance of any material obligations of Tethyan or any of its subsidiaries under any agreements, contracts or other legal arrangement,

this condition expressly includes (without limitation) any exercise, entitlement to exercise, allegation of an entitlement to exercise, or expression or announcement of an intention to exercise rights of the abovementioned kind, by any member of BHP Billiton pursuant to the Alliance Agreement or any party to the Chagai Hills Joint Venture Agreement.

8. No material adverse change

Before the end of the Offer Period, no event, matter, change or condition occurs, is announced or becomes known to APLC (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Tethyan Group, taken as a whole, since 31 December 2005 Tethyan (except for events, changes and conditions publicly announced by Tethyan or otherwise known by APLC or its subsidiaries prior to the Announcement Date or disclosed in public filings by Tethyan or any of its subsidiaries prior to the Announcement Date).

9. No material acquisitions, disposals or commitments

Except for any proposed transaction publicly announced by Tethyan before the Announcement Date, none of the following events occurs, or is announced during the period from the Announcement Date to the end of the Offer Period, under which Tethyan or any subsidiary of Tethyan:

- (a) acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than US\$1 million;
- (b) disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more

companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Tethyan's balance sheet as at 31 December 2005) is, in aggregate greater than US\$1 million;

- (c) incurs or enters into any agreement or commitment involving any commitment or liability in excess of US\$1 million (or its equivalent) in aggregate or makes an announcement of such a commitment or agreement except for any fees payable to the financial advisors of Tethyan pursuant to arrangements entered into prior to the Announcement Date;
- (d) makes or agrees any material modifications to the terms and conditions of, or waives, relinquishes, abandons, assigns, transfers or otherwise dispose of any right or interest under, or causes, suffers or permits to arise any event or circumstances which would or could give rise to the suspension, revocation, invalidation or termination of all or any material rights under, or applies for a mining lease or mineral deposit retention licence in respect of, any of the Regional Interests (including the Chagai Hills Exploration Joint Venture Agreement), other than where necessary for the renewal of the Regional Interests or offers to do any of the foregoing, or Tethyan taking any action which may give rise to, or commence the period for, the exercise of any right of any party (other than Tethyan and or a wholly owned subsidiary) to acquire an interest in any part of any ore body situated within the Regional Interests;
- (e) grants, permits, suffers to subsist or enters into any encumbrance or other security interest over any or all of the Regional Interests or offer or agree to do so (conditionally or otherwise),

and during that period the business of the Tethyan Group is otherwise carried on in the ordinary and usual course of business.

10. No Prescribed Occurrences

During the period from the Announcement Date to the date that is 3 Business Days after the end of the Offer Period, none of the following events (each a **Prescribed Occurrence**, and each listed in sub-sections 652C(1) and (2) of the Corporations Act) happens in relation to Tethyan or any of its subsidiaries (other than the issue of shares in Tethyan upon the exercise of options on issue at the Announcement Date):

- (a) Tethyan converts all or any of the Tethyan Shares into a larger or smaller number of shares;
- (b) Tethyan or a subsidiary of Tethyan resolves to reduce its share capital in any way;
- (c) Tethyan or a subsidiary of Tethyan:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

- (d) Tethyan or a subsidiary of Tethyan issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than:
 - (i) the issue of shares on the exercise of any Tethyan Options that are on issue as at the Announcement Date; or
 - (ii) a Permitted Issue;
- (e) Tethyan or a subsidiary of Tethyan issues, or agrees to issue, convertible notes;
- (f) Tethyan or a subsidiary of Tethyan charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (g) Tethyan or a subsidiary of Tethyan resolves to be wound up;
- (h) a liquidator or provisional liquidator of Tethyan or of a subsidiary of Tethyan is appointed;
- (i) a court makes an order for the winding up of Tethyan or of a subsidiary of Tethyan;
- (j) an administrator of Tethyan, or of a subsidiary of Tethyan, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (k) Tethyan or a subsidiary of Tethyan executes a deed of company arrangement; or
- (l) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Tethyan or of a subsidiary of Tethyan.

11. No break fees

- (a) That, subject to paragraph (b) below, during the Offer Period none of Tethyan and any body corporate which is or becomes a subsidiary of Tethyan, agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or to forego or otherwise reduce any payment or benefit to which it would otherwise be entitled, in connection with any person other than APLC making or agreeing to participate in, or enter into negotiations concerning:
 - (i) a takeover offer for Tethyan; or
 - (ii) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, either or both of Tethyan or its subsidiaries, or to operate either or both of Tethyan or its subsidiaries as a single economic entity with another body corporate.
- (b) Paragraph (a) above does not apply to a payment:

- (i) for providing professional advisory services to Tethyan;
- (ii) which is approved in writing by APLC;
- (iii) lawfully made to any Tethyan directors, officers or employees; or
- (iv) which is approved by a resolution passed at a general meeting of Tethyan.

Appendix 2

Definitions

Alliance Agreement means the agreement dated 15 October 2002 between Tethyan and BHP Billiton and any amendment to that agreement, including deeds of variation dated 19 and 22 September 2003.

APLC means Antofagasta PLC or its wholly owned subsidiary making the off-market takeover bid.

APLC Group means APLC and its Related Bodies Corporate.

BHP Billiton means BHP Minerals International Exploration Inc. and BHP Billiton World Exploration Inc.

Chagai Hills Exploration Joint Venture (CHEJV) and Chagai Hills Exploration Joint Venture Agreement mean the agreement dated 29 July 1993 amended by an addendum dated 4 March 2000 between BHP Billiton and the Government of Balochistan, which covers EL5 and through which the Government of Balochistan holds a 25% interest in EL5 and in relation to which Tethyan has earned all of BHP Billiton's interest in the CHEJV.

Exploration Licence No 5 (EL5) means the Reko Diq Exploration Licence (EL-5) No. DGMM/EL-5/5011-22 that is held by the CHEJV.

Exploration Licence No 6 (EL6) means Western Extension Exploration Licence (EL-6) No. DGMM/EL-6/6788-98.

Exploration Licence No 8 (EL8) means Western Extension Exploration Licence (EL-8) No. DGMM/EL-8/6777-87.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law,

whether in Australia, Pakistan or elsewhere. It also includes any self-regulatory organisation established under statute or any stock exchange.

Offer Period means the period during which the Offer is open for acceptance.

Permitted Issue means an issue of fully paid ordinary shares in Tethyan to raise not more than \$5,000,000 at an issue price of not more than \$1.20 per share where APLC has been

given a right of first refusal for not less than 7 days to subscribe for those shares on terms no more favourable to the subscribers than those first offered to APLC.

Reconnaissance Licence means reconnaissance licence No. 7 granted to Tethyan Pakistan on 22 November 2005.

Regional Interests means:

- (a) the 75% interest in the CHEVJ, as provided for in the Chagai Hills Exploration Joint Venture Agreement, including a 75% interest in EL5; and
- (b) the 100% interest in each of EL6 and EL8,

presently in the name of BHP Billiton, being all of the interests to which Tethyan is or will be entitled under the Alliance Agreement, and the 100% interest in the Reconnaissance Licence held by Tethyan Pakistan.

Regulatory Approvals means such consents, approvals (other than approvals or consents the absence of which would not have a material adverse effect on the assets or operations of the APLC Group or the Tethyan Group) instruments or other acts made or given by a Government Agency required for the Takeover Bid.

Rights means all accretions, rights and benefits of whatever kind attaching to or arising from the Tethyan Shares directly or indirectly at or after the date of the bidder's statement relating to the Offer (including, without limitation, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by Tethyan or any subsidiary of Tethyan).

Tethyan Group means Tethyan and its subsidiaries.

Tethyan Options means the options to subscribe for Tethyan Shares issued under the Tethyan Executive Share Option Scheme or a Tethyan Executive Option Plan, and 20,157,566 options known as 'seed options' to subscribe for one Tethyan Share each.

Tethyan Pakistan means Tethyan Copper Company Pakistan (Private) Limited.

Tethyan Shares means fully paid ordinary shares in Tethyan and all Rights attaching to them.