

31 July, 2007

Highlights

- Group copper production in Q2 was 106,100 tonnes, marginally above Q1.
- Molybdenum production at Los Pelambres in Q2 was 2,800 tonnes compared with 2,100 tonnes in Q1.
- Group cash costs in Q2 were 24.8 cents per pound compared with 35.8 cents per pound in Q1, due to improved by-product credits which offset higher on-site costs and tolling charges.

Group Total	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Total production of payable copper ('000 tonnes)	105.9	106.1			212.1	207.9	465.5
Total production of payable moly ('000 tonnes)	2.1	2.8			4.9	4.1	9.8
Weighted average cash costs (cents per pound)	35.8	24.8			30.3	46.9	40.2

Los Pelambres

Los Pelambres produced 71,100 tonnes of payable copper in Q2 and 141,800 tonnes in the first six months of 2007, marginally above the first six months of last year. The increase was mainly due to higher plant throughput as a result of the increased plant capacity completed in the previous year and higher recoveries, partly offset by the expected lower ore grade.

Molybdenum production was 2,800 tonnes in Q2, and 4,900 tonnes in the first six months of 2007, 19.5% above the first half of 2006. The increase was mainly due to the higher grade and to a lesser extent the higher plant throughput, offset by lower recoveries.

Cash costs in Q2 were negative 21.3 cents per pound compared to 4.2 cents per pound in Q1, a decrease of 25.5 cents per pound, mainly due to improved by-product credits. Cash costs during the first half of 2007 were negative 8.6 cents per pound compared with 24.4 cents per pound for the same period last year. This decrease in costs was mainly due to higher by-product credits and lower tolling charges, partly offset by higher on-site costs. The improved by-product credits reflect higher molybdenum production and market prices (which averaged US\$28.4 per pound in 2007 H1 compared with US\$23.7 per pound in 2006 H1). Tolling charges were lower this half year mainly due to reduced price participation. The increase in on-site and shipping costs during the first half of the year compared with the same period last year was partly due to lower ore grades and increased energy, fuel, lubricants and machinery hire costs. In addition, costs were also higher due to a significant level of programmed plant maintenance in Q2 and the costs of the one-off bonus payment on the early conclusion of the labour negotiation with the mine-port union in May.

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El Tesoro

Cathode production at El Tesoro was 23,200 tonnes in Q2 and 46,800 tonnes during the first half of the year, which represents a 10% increase compared with 2006 H1. This increase reflected better ore grades and higher metallurgical recoveries, partly offset by a lower level of ore treated.

Cash costs in Q2 were 106.5 cents per pound, an increase of 19.1 cents per pound over the previous quarter, mainly due to higher energy costs following the re-negotiation of the power supply contract (including one-off back settlements). Cash costs during the first half of the year were 96.9 cents per pound, higher than the same period last year but below budget. The increase compared with 2006 H1 is mainly explained by the higher waste-to-ore ratio, as well as higher energy costs and acid consumption and prices.

Michilla

Michilla produced 11,800 tonnes of copper cathodes in the second quarter of the year making a total of 23,400 tonnes during the first half, marginally below the first six months of 2006. The higher ore throughput and the higher metallurgical recovery in 2007 H1 compensated for the decline in grades.

Cash costs were 141.4 cents per pound in Q2 and 132.3 cents per pound in the first half of the year. The costs for 2007 H1 were below budget but higher than the first six months of 2006, reflecting the one-off costs of the labour negotiation completed during Q2, as well as higher costs of energy, fuel and third party services.

Exploration – Colombia and Ecuador

During July, the Group decided not to continue with the exploration agreements with Ascendent Copper Corporation in respect of the Chaucha deposit in Ecuador and with AngloGold Ashanti in the area of interest in southern Colombia, following a review of drilling results achieved to date. The Group nevertheless remains committed to its disciplined strategy of growth and will continue to seek opportunities in mining both in Latin America and worldwide.

Transport

The transport division had a strong first half. Combined rail and road volumes transported during the first half of 2007 were 11.6% higher than the same period of 2006. The increase was mainly attributable to the impact of the Spence project (which commenced shipments in the second half of 2006), along with increased volumes from other clients.

Water

The water business continued to perform well. Volumes sold during the first half increased to 19.8 million cubic metres, a 6.7% increase compared with 2006 H1, mainly due to improved sales to industrial customers.

Los Pelambres	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Production statistics							
Daily average ore treated ('000 tonnes)	125.0	126.0			125.5	120.2	127.4
Average ore grade (%)	0.71	0.70			0.71	0.82	0.81
Average recovery (%)	92.5	91.9			92.2	88.1	88.7
Concentrate produced ('000 tonnes)	186.5	202.6			389.0	395.0	842.6
Average concentrate grade (%)	39.6	36.5			38.0	39.8	39.9
Fine copper in concentrate ('000 tonnes)	73.1	73.6			146.7	146.4	335.2
Payable copper in concentrate ('000 tonnes)	70.7	71.1			141.8	141.6	324.2
Average moly ore grade (%)	0.033	0.030			0.031	0.026	0.028
Average moly recovery (%)	66.7	75.6			71.0	75.2	76.1
Payable moly ('000 tonnes)	2.1	2.8			4.9	4.1	9.8
Cash costs statistics							
On-site and shipping costs (cents per pound)	64.7	82.0			73.4	55.6	56.4
Tolling charges for concentrates (cents per pound)	25.7	31.9			28.8	39.8	39.7
By - product credits (cents per pound) *	(86.3)	(135.2)			(110.8)	(71.0)	(79.7)
Cash costs (cents per pound)	4.2	(21.3)			(8.6)	24.4	16.4

(*) 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 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Daily average ore treated ('000 tonnes)	27.8	26.3			27.1	29.1	28.7
Average ore grade (%)	1.21	1.25			1.23	1.08	1.16
Average recovery (%)	77.4	77.3			77.4	75.7	78.1
Copper cathodes ('000 tonnes)	23.6	23.2			46.8	42.5	94.0
Cash costs (cents per pound)	87.4	106.5			96.9	79.7	78.6

Michilla	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Daily average ore treated ('000 tonnes)	15.2	15.4			15.3	15.0	15.2
Average ore grade (%)	1.04	1.04			1.04	1.10	1.05
Average recovery (%)	81.2	78.3			79.7	76.3	78.2
Copper cathodes ('000 tonnes)	11.6	11.8			23.4	23.8	47.3
Cash costs (cents per pound)	123.1	141.4			132.3	122.0	126.4

Transport	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Rail tonnage transported ('000 tons)	1,253	1,301			2,554	2,133	4,486
Road tonnage transported ('000 tons)	321	342			663	750	1,456

Water	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Acc 2007	Acc 2006	Full Year 2006
Water volume sold – potable and untreated ('000 m ³) **	10,069	9,740			19,809	18,536	37,798

(**) Note: Water volumes include water transportation of 300,000 m³ in Q1 and 266,000 in Q2 (270,000 m³ in Q1 2006 and 740,000 m³ in Q2 2006).