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ANTOFAGASTA BOARD APPROVES THE ESPERANZA COPPER-GOLD PROJECT

London, 2 July 2007

Antofagasta plc (“Antofagasta” or the “Group”) announces today that it has approved the development of the Esperanza copper-gold project, located in Chile’s II Region approximately four kilometres south of the Group’s El Tesoro mine. Esperanza is a sulphide deposit which will produce copper concentrate containing gold and silver by-product credits through a conventional milling and flotation process. Ore throughput is expected to average 97,000 tonnes per day.

Esperanza has a 15 year mine life based on proven, probable and possible ore reserves of 535 million tonnes with an average copper grade of 0.55% and an average gold grade of 0.23 g/tonne, based on a cut-off grade of 0.2% equivalent copper. The total measured, indicated and inferred sulphide resource (including reserves) based on a cut-off grade of 0.2% copper is 1,130 million tonnes with an average copper grade of 0.45%, an average gold grade of 0.16 g/tonne and an average molybdenum grade of 0.011%. In addition, there is an oxide ore resource of 119 million tonnes with an average copper grade of 0.35%, which mainly forms part of the 170 million tonnes of overburden to be removed through pre-stripping. The Esperanza project is adjacent to Antofagasta’s Telegrafo sulphide deposit which ultimately is expected to utilise the Esperanza plant and facilities and extend the mine life well beyond the initial 15 year mine plan.

Capital costs are estimated at US\$1.5 billion, which includes US\$162 million for pumping, pipeline and desalination facilities to enable all the project’s water needs to be supplied by seawater. First production is expected at the end of 2010 and in its first ten years of operation Esperanza is expected to produce an annual average of approximately 700,000 tonnes of concentrate containing 195,000 tonnes of payable copper, 229,000 ounces of payable gold and 1,556,000 ounces of payable silver.

Marcelo Awad, Chief Executive Officer of Antofagasta Minerals S.A., the Group’s mining division, commented, “We are very pleased to announce the development of the Esperanza project. This is an important step in the Group’s growth strategy, and when in full production Esperanza is expected to increase overall copper output by over 40% from current levels. Esperanza is a competitive and environmentally sound project located in Chile, the world’s largest copper producing country, where the Group has successfully developed its three existing operations.”

The project and its timing are subject to relevant environmental approvals.

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