

30 April, 2009

Highlights

- Group copper production in Q1 was 111,900 tonnes, slightly ahead of forecast but as expected lower than the quarterly average for 2008 of 119,400 tonnes. This was mainly due to lower throughput partly offset by slightly higher ore grades and metallurgical recoveries at Los Pelambres.
- Molybdenum production at Los Pelambres in Q1 was 1,700 tonnes, slightly below the quarterly average for 2008 due to lower throughput and metallurgical recoveries but ahead of year-to-date forecast.
- Group cash costs in Q1 were 97.5 cents per pound compared with 87.3 cents per pound in the 2008 full year, reflecting lower by-product credits as a result of reduced molybdenum market prices.

Costs excluding by-product credits decreased to 112.1 cents per pound, from 129.3 cents per pound in the 2008 full year. This reduction was due to the previously announced cost reduction programme, which the Group implemented from the start of 2009, as well as a general easing of market cost pressures. Costs are in line with year-to-date forecast.

Group Total	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Total production of payable copper ('000 tonnes)	111.9				111.9	114.6	477.7
Total production of payable moly ('000 tonnes)	1.7				1.7	1.8	7.8
Weighted average cash costs before by-product credits (cents per pound)	112.1				112.1	129.5	129.3
Weighted average cash costs (cents per pound)	97.5				97.5	72.2	87.3

Mining operations

Los Pelambres

Los Pelambres produced 80,200 tonnes of payable copper in Q1, slightly ahead of forecast but 5.5% below the quarterly average for 2008. This was mainly due to lower plant throughput as a consequence of increased level of harder primary ore partly offset by slightly higher ore grades and improved metallurgical recoveries as a result of process improvements.

Molybdenum production was 1,700 tonnes in Q1, again ahead of forecast, but 12.8% below the quarterly average for 2008. The lower production was mainly due to the reduced plant throughput and lower metallurgical recoveries.

Cash costs in Q1 were 84.7 cents per pound, below forecast but an increase of 27.4 cents compared with 57.3 cents per pound in the 2008 full year. The increase was mainly due to lower by-product credits per pound of copper produced as a result of lower molybdenum market prices. On-site and shipping costs decreased by 12.0 cents per pound due to reductions in shipping, maintenance and energy costs.

The Mauro tailings dam, where construction was completed in November 2008, is now fully operational.

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El Tesoro

Copper production at El Tesoro in Q1 was 20,400 tonnes, in line with forecast but 10.1% below the quarterly average for 2008. This was due to slightly lower throughput levels and lower ore grades.

Pre-stripping works have continued on schedule at the Tesoro North-East deposit, which now forms part of the El Tesoro mine plan. Production from the Tesoro North-East deposit, as well as the Esperanza oxide cap, is due to begin in Q2.

Cash costs in Q1 were 124.2 cents per pound, 20.5 cents below the 2008 full year cash cost of 144.7 cents per pound, mainly due to lower energy and sulphuric acid costs.

Michilla

Michilla produced 11,400 tonnes of copper in Q1, ahead of forecast, although 4.4% below the quarterly average for 2008. The closure of the higher cost Lince open pit mine during the first quarter resulted in reduced mined ore, which was partly offset by the utilisation of stockpiles and increased purchasing of ore from third parties.

Cash costs were 140.3 cents per pound, 50.8 cents per pound below the 2008 full year cash cost of 191.1 cents per pound, mainly due to cost savings from the closure of the Lince open pit mine, the weakening of the Chilean peso, reduced sulphuric acid prices and lower costs of purchasing ore from third parties.

Michilla has continued to review its mine life beyond the current year and now expects to continue in production during at least 2010. It is continuing to examine options to extend its life beyond this period.

Projects and exploration

The plant expansion at Los Pelambres and the Esperanza project both remain on schedule. The plant expansion at Los Pelambres is expected to be completed by the end of 2009 and the Esperanza project is expected to start production at the end of 2010. The Group's share of each project is currently being funded out of existing cash resources. Esperanza is working towards obtaining project finance for part of its funding requirements, and Los Pelambres is examining financing options for its expansion. Feasibility studies for the Antucoya project in Chile and the Reko Diq project in Pakistan also continue as planned, with both expected to be completed in the second half of this year.

The Group also continued with its exploration programmes in Chile and abroad. As a part of its long-term strategy for growth, during March the Group entered into an agreement with Almaden Minerals Ltd ("Almaden") to acquire an interest in the Tuligtic copper-gold project in Mexico. The Group can earn a 60% interest in successive stages by incurring exploration expenditure and other payments of up to US\$8 million over a period of five years. The Group can further increase its interest to 75% by funding a feasibility study. Almaden is a company listed on the Toronto Stock Exchange and the NYSE Alternext Exchange with exploration and project interests in Mexico and Canada.

Commodity prices

The LME copper price in 2009 Q1 averaged 155.8 cents per pound, compared with 352.1 cents per pound in 2008 Q1 and 315.3 cents per pound in the 2008 full year. The LME spot copper price at the end of 2009 Q1 was 183.0 cents per pound.

The market molybdenum price in 2009 Q1 averaged US\$8.9 per pound, compared US\$33.2 per pound in 2008 Q1 and US\$28.9 per pound in the 2008 full year. The average market molybdenum price for March 2009 was US\$8.5 per pound.

The realised copper and molybdenum prices which the Group will recognise for its sales in the first quarter will differ from the average market prices shown above because, in line with industry practice, sales agreements generally provide for provisional pricing at the time of shipment with final pricing based on the average market price for the month in which settlement takes place. The typical period for which sales remain open until settlement occurs for copper concentrate sales is approximately four months from shipment date, for copper cathode sales approximately one month from shipment, and for molybdenum sales approximately three months from shipment. Additionally, under IFRS open sales are marked to market at the end of each period through adjustments to turnover in the income statements using forward prices in the case of copper concentrate and copper cathode sales and period-end prices for molybdenum sales. In accordance with normal practice, these adjustments will be reported for the first quarter when the Group reports its unaudited quarterly results on 28 May 2009.

Transport

Both the rail and the road businesses performed strongly in Q1 with the total rail and road volumes transported increasing by 9.0% compared with the quarterly average for 2008. This was due to the full-year effect of increased volumes from the San Cristobal mine in Bolivia and the impact of Codelco's Gaby mine which began shipments in the second half of 2008.

Water

The water business performed well in the first quarter of the year. Volumes sold increased to 11.2 million cubic metres, 4.9% above the quarterly average for 2008. This was due to increased demand from both domestic and industrial clients.

Interim Management Statement

This report represents the Interim Management Statement for the purposes of the UK Listing Authority's Disclosure and Transparency Rules. Other than as set out above, there have been no significant changes in the financial position of the Group in the quarter ended 31 March 2009.

The totals in the tables below may include some small apparent differences as the specific individual figures have not been rounded.

Los Pelambres	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Production statistics							
Daily average ore treated ('000 tonnes)	131.5				131.5	138.8	136.8
Average ore grade (%)	0.77				0.77	0.71	0.76
Average recovery (%)	93.2				93.2	91.1	92.1
Concentrate produced ('000 tonnes)	249.1				249.1	272.0	1,135.2
Average concentrate grade (%)	33.9				33.9	30.2	30.9
Fine copper in concentrate ('000 tonnes)	83.0				83.0	82.0	351.1
Payable copper in concentrate ('000 tonnes)	80.2				80.2	79.1	339.2
Average moly ore grade (%)	0.019				0.019	0.019	0.019
Average moly recovery (%)	79.7				79.7	73.5	80.1
Payable moly ('000 tonnes)	1.7				1.7	1.8	7.8
Cash costs statistics							
On-site and shipping costs (cents per pound)	87.5				87.5	100.4	99.5
Tolling charges for concentrates (cents per pound)	17.6				17.6	20.3	17.0
By - product credits (cents per pound) ⁽¹⁾	(20.4)				(20.4)	(83.2)	(59.2)
Cash costs (cents per pound)	84.7				84.7	37.4	57.3

⁽¹⁾ 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 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Daily average ore treated ('000 tonnes)	28.2				28.2	29.8	28.5
Average ore grade (%)	1.04				1.04	1.16	1.16
Average recovery (%)	74.4				74.4	76.8	74.7
Copper cathodes ('000 tonnes)	20.4				20.4	23.9	90.8
Cash costs (cents per pound)	124.2				124.2	129.4	144.7

Michilla	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Daily average ore treated ('000 tonnes)	14.7				14.7	16.2	15.5
Average ore grade (%)	1.09				1.09	0.98	1.06
Average recovery (%)	78.8				78.8	80.6	80.4
Copper cathodes ⁽²⁾ ('000 tonnes)	11.4				11.4	11.5	47.7
Cash costs (cents per pound)	140.3				140.3	191.4	191.1

⁽²⁾ Copper production volumes at Michilla mainly comprise LME Grade A cathodes, with a small volume of other fine copper material.

Transport	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Rail tonnage transported ('000 tons) ⁽³⁾	1,548				1,548	1,224	5,644
Road tonnage transported ('000 tons) ⁽³⁾	358				358	273	1,353

⁽³⁾ Rail tonnages are the aggregate of the volumes of the FCAB rail network in Chile and the Andino rail network in Bolivia. Shipments from customers which are carried on both networks are included in both the FCAB and Andino volumes which are combined to calculate the total rail tonnages shown above. Similarly, shipments which are carried by rail and by road are included in both the rail and road volumes shown above.

Water	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Acc 2009	Acc 2008	Full Year 2008
Water volume sold – potable and untreated ('000 m ³) ⁽⁴⁾	11,187				11,187	10,743	42,674

⁽⁴⁾ Water volumes include water transportation of 343,000 m³ in Q1 (353,000 m³ in Q1 2008 and total for 2008 of 1,351,000 m³).