

3 February, 2010

Highlights

- **Group copper production for 2009 reached 442,500 tonnes, ahead of the original forecast for the year of 433,000 tonnes. The expected decrease compared with the 2008 production of 477,700 tonnes was mainly due to lower plant throughput at Los Pelambres.**
- **Full year molybdenum production at Los Pelambres was unchanged from 2008 at 7,800 tonnes due to marginally higher ore grades and metallurgical recoveries offset by lower throughput.**
- **Group cash costs for 2009 were 96.3 cents per pound compared with 87.3 cents per pound in 2008. The increase in cash costs compared to 2008 was mainly due to significantly lower by-product credits (reflecting lower molybdenum prices), partially offset by a decrease in on-site and shipping costs.**
- **Costs excluding by-product credits for 2009 were 120.3 cents per pound, 7.0% below the 2008 costs of 129.3 cents per pound. The decrease partly reflected the thorough cost reduction programme implemented from the start of 2009 as well as a general easing of market costs, although cost pressures began to return in the second half of the year.**

Group Total	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Full Year 2009	Full Year 2008
Total production of payable copper ('000 tonnes)	111.9	106.3	109.9	114.4	442.5	477.7
Total production of payable moly ('000 tonnes)	1.7	2.0	2.1	2.0	7.8	7.8
Weighted average cash costs before by-product credits (cents per pound)	112.1	120.0	118.3	130.4	120.3	129.3
Weighted average cash costs (cents per pound)	97.5	97.5	81.7	107.6	96.3	87.3

Mining operations

Los Pelambres

Los Pelambres produced 80,000 tonnes of payable copper in Q4, 7.8% above Q3 production. This reflected the combined effect of higher plant throughput, ore grades and metallurgical recoveries. Annual production in 2009 was 311,600 tonnes, a reduction compared to the 2008 full year production of 339,200 tonnes, although ahead of the original forecast for the year. The decrease in production compared to 2008 was mainly due to lower plant throughput due to the higher level of harder primary ore and a marginal decrease in ore grades.

Molybdenum production was 2,000 tonnes in Q4, 4.7% below the previous quarter as a result of marginally lower ore grades and metallurgical recoveries. Annual production for 2009 was unchanged from 2008 at 7,800 tonnes, with marginally higher ore grades and metallurgical recoveries offsetting the lower plant throughput.

Cash costs were 90.4 cents per pound in Q4, 29.8 cents per pound above Q3 costs of 60.6 cents per pound. This was mainly due to the significant reduction in by-product credits due to the lower molybdenum market prices, as well as an increase in on-site and shipping costs during the quarter.

Investor relations –
Antofagasta plc:

Desmond O'Connor

doconor@antofagasta.co.uk
London: (44-20) 7808 0988

Hussein Barma

hbarma@antofagasta.co.uk
London: (44-20) 7808 0988

Eduardo Tagle

etagle@aminerals.cl
Santiago: (56-2) 798 7145

Luis Eduardo Bravo

lbravo@aminerals.cl
Santiago: (56-2) 798 7073

Media enquiries –
Bankside Consultants:

Oliver Winters

oliver.winters@bankside.com
London: (44-20) 7367 8874

Cash costs for the 2009 full year were 80.4 cents per pound compared with 57.3 cents per pound for 2008, an increase of 23.1 cents. This increase in cash costs was mainly due to a 25.1 cents per pound decrease in by-products credits as a result of lower molybdenum market prices. There was a decrease of 4.2 cents in on-site and shipping costs compared with 2008, mainly due to lower shipping costs and energy prices offset by the effect of the lower production. Tolling charges were 2.2 cents per pound higher than in 2008.

For 2010 production of payable copper is expected to be approximately 407,000 tonnes, due to the increased throughput as a result of the plant expansion. Molybdenum production is expected to be approximately 9,500 tonnes in 2010, again due to the increased plant throughput.

El Tesoro

Copper cathode production at El Tesoro was 24,300 tonnes in Q4, a 5.8% decrease compared with Q3. This was mainly due to lower plant throughput as a consequence of a temporary stoppage in operations requested by the Servicio Nacional de Geología y Minería following an accident in October. Copper cathode production for the full year was 90,200 tonnes compared with 90,800 tonnes in 2008, mainly due to lower throughput and metallurgical recoveries slightly offset by increased ore grades. Production from the run-of-mine processing of the Esperanza oxide cap had reached over 1,000 tonnes per month by December 2009, and is expected to reach full capacity in Q1 2010.

Cash costs in Q4 were 134.9 cents per pound, 21.5 cents higher than the previous quarter due to the effects of the lower production and increased movement of material in the mine sites, as well as higher sulphuric acid costs. Cash costs for the 2009 full year were 123.4 cents per pound compared with 144.7 cents per pound in 2008 mainly due to lower sulphuric acid and energy prices, as well as the impact of the cost reduction programme implemented from the start of 2009, which included the deferral of some non-essential stripping costs.

For 2010, cathode production is expected to be approximately 96,000 tonnes due to the full year impact of production from the Tesoro North-East deposit and the Esperanza oxides run-of-mine processing.

Michilla

Michilla produced 10,100 tonnes of copper cathodes in Q4, broadly in line with Q3 production of 9,900 tonnes. Total annual production in 2009 was 40,600 tonnes of copper cathodes compared to the 2008 production of 47,700 tonnes mainly due to lower throughput (as a consequence of suspending operations at the Lince open pit), lower ore grades and metallurgical recoveries.

Cash costs in Q4 were 178.8 cents per pound, 19.8 cents above the previous quarter, mainly due to the higher costs of purchasing ore from third parties as a consequence of the increased copper market price, increased labour costs and the stronger Chilean peso during the fourth quarter. Cash costs for the 2009 full year were 157.6 cents per pound compared with 191.1 cents per pound in 2008 mainly due to cost savings from the suspension of the Lince open pit, lower energy prices and the weakening of the Chilean peso compared with 2008.

As previously announced, Michilla has approved an extension of its mine plan through to 2012, which includes the remnant reserves from the final stage of the Lince pit. Michilla is currently carrying out studies to examine the potential to further extend the life of the operation through to 2018.

Cathode production in 2010 is expected to be approximately 40,000 tonnes

Projects and exploration

The construction work on the plant expansion at Los Pelambres was substantially complete by the end of 2009 and remains on budget, with ramp-up to the increased plant throughput level of 175,000 tonnes per day taking place during Q1 2010. In December 2009 and January 2010 Los Pelambres also entered into new corporate loan facilities for a total of US\$750 million for periods of up to seven years, partly to fund costs associated with the expansion and also to refinance short-term facilities.

The Esperanza project remains on schedule and is expected to start production in late 2010.

At Reko Diq, work on the feasibility study has been completed as planned and progress continues on the baseline environmental and social impact assessment which is expected to be completed in the first half of 2010. The feasibility study is under review by the joint venture partners and discussions for agreements with the relevant authorities remain in progress.

In line with its stated long-term strategy for growth, the Group has continued to enter into further exploration agreements. In November 2009 the Group entered into an agreement with International Base Metals Limited (“IBML”) of Australia in respect of its Kopermyn mining property in northern Namibia. The Group has the right to earn up to a 60% interest in the property over a two year period by funding up to US\$1.8 million of exploration activities, with a minimum commitment of US\$0.5 million.

In December 2009 the Group entered into an agreement with Carbon Energy Limited (“Carbon Energy”) of Australia in respect of the Mulpun underground coal gasification project. Carbon Energy can earn a 30% stake in the deposit, through contributing its underground coal gasification technology to the project. It will fund 30% of the development costs of a trial project.

As previously announced on 14 January 2010 the Group signed a legally binding Heads of Agreement (“HoA”) with Duluth Metals Limited (“Duluth Metals”), a company listed on the Toronto Stock Exchange (“TSX”). The Group will initially become a 40% partner in Duluth Metals’ Nokomis copper-nickel-platinum group metal (“PGM”) deposit (“Nokomis”) by committing to fund a total of US\$130 million of further exploration and feasibility study expenditure over a 3 year period. The Group will have the option to acquire an additional 25% interest of Nokomis (to own in aggregate 65%) at the then net present value of the project based on operating parameters outlined in the bankable feasibility study, which will become exercisable and payable upon receipt of the required permits to develop the project. Antofagasta also subscribed for 6 million new ordinary shares in Duluth Metals by way of a private placement and a subsequent anti-dilution pre-emptive subscription of 550,939 shares at Cdn\$2.00 per share in cash, to become an approximately 7% shareholder in Duluth Metals.

Commodity prices and exchange rates

The LME copper price averaged 301.3 cents per pound in Q4 2009, compared with 264.9 cents per pound in Q3 2009. The average price for the 2009 full year was 234.2 cents per pound, compared with 315.3 cents per pound for the 2008 full year. The LME spot copper price at the end of Q4 2009 was 333.2 cents per pound.

The market molybdenum price averaged US\$11.6 per pound in Q4 2009, compared with US\$14.7 per pound in Q3 2009. The average price was US\$11.1 per pound for 2009 full year compared with US\$28.9 per pound in the 2008 full year. The average price in December 2009 was US\$11.2 per pound.

The realised copper and molybdenum prices which the Group will recognise for its sales in the year 2009 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 the month of shipment, for copper cathode sales approximately one month from shipment and for molybdenum sales approximately three months from the month of 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 year when the Group reports its preliminary results announcement on 9 March 2010.

The Chilean peso / US dollar exchange rate averaged Ch\$518.63 / US\$1 in Q4 2009, compared with Ch\$545.5 / US\$1 in Q3 2009. The average exchange rate for 2009 was Ch\$559.5 / US\$1, compared with Ch\$521.8 / US\$1 in the 2008 full year. The exchange rate at 31 December 2009 was Ch\$507.1 / US\$1.

Transport

The transport division had a solid operational performance during 2009 with rail volumes increasing by 12.2% to 6.3 million tons. This was due to increased volumes from the San Cristobal mine in Bolivia, which achieved full tonnage volumes in the second half of 2008, as well as increases from other mining customers. Road volumes increased by 11.2% during 2009 to 1.5 million tons.

Water

The water business continued to perform well, with Q4 volumes increasing to 11.0 million cubic metres, 3.0% above the previous quarter. This was mainly due to increased demand from domestic clients, partly reflecting seasonal variations. The volume of water sold for the 2009 year increased by 2.4% to 43,736 million cubic metres compared to 2008.

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	Full Year 2009	Full Year 2008
Production statistics						
Daily average ore treated ('000 tonnes)	131.5	132.6	125.0	127.8	129.2	136.8
Average ore grade (%)	0.77	0.72	0.73	0.75	0.74	0.76
Average recovery (%)	93.2	91.9	91.1	92.1	92.1	92.1
Concentrate produced ('000 tonnes)	249.1	243.2	226.5	232.3	951.1	1,135.2
Average concentrate grade (%)	33.9	32.9	33.9	34.9	33.9	30.9
Fine copper in concentrate ('000 tonnes)	83.0	80.1	76.8	82.8	322.6	351.1
Payable copper in concentrate ('000 tonnes)	80.2	77.3	74.2	80.0	311.6	339.2
Average moly ore grade (%)	0.019	0.020	0.022	0.021	0.020	0.019
Average moly recovery (%)	79.7	83.2	81.1	80.2	81.1	80.1
Payable moly ('000 tonnes)	1.7	2.0	2.1	2.0	7.8	7.8
Cash costs statistics						
On-site and shipping costs (cents per pound)	87.5	94.2	94.8	104.7	95.3	99.5
Tolling charges for concentrates (cents per pound)	17.6	21.4	19.7	18.3	19.2	17.0
By - product credits (cents per pound) ⁽¹⁾	(20.4)	(30.9)	(53.9)	(32.6)	(34.1)	(59.2)
Cash costs (cents per pound)	84.7	84.7	60.6	90.4	80.4	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	Full Year 2009	Full Year 2008
Daily average ore treated ('000 tonnes)	28.2	27.5	26.8	22.2	26.2	28.5
Average ore grade (%)	1.04	1.17	1.42	1.41	1.25	1.16
Average recovery (%)	74.4	70.7	71.6	75.7	73.0	74.7
Copper cathodes ⁽²⁾ ('000 tonnes)	20.4	19.7	25.8	24.3	90.2	90.8
Cash costs (cents per pound)	124.2	121.3	113.4	134.9	123.4	144.7

⁽²⁾ Copper cathode production volumes at El Tesoro include 600 tonnes in Q3 and 2,000 tonnes in Q4 2009 from the run-of-mine processing of the Esperanza oxide cap. The average daily throughput, ore grade and recovery figures shown above relate to the Tesoro and Tesoro North-East open pits and do not include amounts relating to this material.

Michilla	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Full Year 2009	Full Year 2008
Daily average ore treated ('000 tonnes)	14.7	14.8	15.6	15.4	15.1	15.5
Average ore grade (%)	1.09	0.88	0.95	0.93	0.96	1.06
Average recovery (%)	78.8	77.6	77.2	76.3	77.5	80.4
Copper cathodes ⁽³⁾ ('000 tonnes)	11.4	9.3	9.9	10.1	40.6	47.7
Cash costs (cents per pound)	140.3	154.1	159.0	178.8	157.6	191.1

⁽³⁾ 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	Full Year 2009	Full Year 2008
Rail tonnage transported ('000 tons) ⁽⁴⁾	1,548	1,545	1,658	1,584	6,335	5,644
Road tonnage transported ('000 tons) ⁽⁴⁾	358	350	368	428	1,505	1,353

⁽⁴⁾ 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	Full Year 2009	Full Year 2008
Water volume sold – potable and untreated ('000 m ³) ⁽⁵⁾	11,187	10,870	10,679	11,000	43,736	42,674

⁽⁵⁾ Water volumes include water transportation of 343,000 m³ in Q1; 302,000 m³ in Q2; 242,000 m³ in Q3; 240,000 m³ in Q4 and total for 2009 of 1,128,000 m³ (353,000 m³ in Q1 2008; 333,000 m³ in Q2 2008; 327,000 m³ in Q3 2008; 338,000 m³ in Q4 and total for 2008 of 1,351,000 m³).