

3 November, 2010

Highlights

- **Group copper production increased by 4.1% from 135,200 tonnes in Q2 to 140,700 tonnes in Q3 mainly due to higher production at Los Pelambres. Cumulative production in the first nine months of the year was 393,600 tonnes, in line with expectations and 20.0% above the comparable period of 2009 reflecting the impact of the plant expansion at Los Pelambres.**
- **The ramp up of Esperanza is expected to commence during November 2010 and the first shipment of copper concentrate is expected by the end of the year.**
- **Molybdenum production at Los Pelambres was 2,200 tonnes in Q3 and 6,700 tonnes in the first nine months of the year, 15.5% above the first nine months of 2009 due to the plant expansion.**
- **Group cash costs were 109.0 cents per pound in Q3 compared with 88.7 cents per pound in Q2. This increase was mainly due to a decrease in by-product credits, planned maintenance in the period at Los Pelambres, and the effect of suspending operations at Tesoro North East pit, with this lost mill feed replaced with lower grade stockpiles. Costs excluding by-product credits were 138.3 cents per pound in Q3 compared with 124.5 cents per pound in Q2.**
- **Group cash costs in the first nine months of 2010 were 97.7 cents per pound compared with 92.2 cents per pound in the same period of 2009 due to higher costs at the three mining operations partially offset by improved by-product credits. Cumulative pre-credit costs of 130.7 cents are in line with expectations for the full year.**

Group Total	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Total production of payable copper ('000 tonnes)	117.7	135.2	140.7		393.6	328.1	442.5
Total production of payable moly ('000 tonnes)	1.8	2.7	2.2		6.7	5.8	7.8
Weighted average cash costs before by-product credits (cents per pound)	128.8	124.5	138.3		130.7	116.7	120.3
Weighted average cash costs (cents per pound)	94.7	88.7	109.0		97.7	92.2	96.3

Mining operations

Los Pelambres

Los Pelambres produced 106,200 tonnes of payable copper in Q3 and 292,300 tonnes in the first nine months of 2010, 26.2% above the first nine months of 2009, mainly due to higher plant throughput as a result of the plant expansion which ramped up during Q1 of this year.

Molybdenum production was 2,200 tonnes in Q3 and 6,700 tonnes in the first nine months of the year, 15.5% above the first nine months of 2009 due to the higher plant throughput. The decrease in production in Q3 compared to the 2,700 tonnes produced in Q2 was due to lower ore grade and recoveries.

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:

Simon Rothschild

simon.rothschild@bankside.com
London: (44-20) 7367 8871

Cash costs were 82.7 cents per pound in Q3 compared with 63.3 cents per pound in the previous quarter. The higher costs in Q3 were mainly due to lower by-product credits as a result of the reduced molybdenum production volumes in the quarter and the lower average molybdenum market prices, as well as higher on site and shipping costs as a result of planned mill relinings undertaken in the quarter.

Cash costs for the first nine months of 2010 were 73.4 cents per pound, compared with 77.0 cents per pound in the same period of 2009. The decrease in net costs was due to the increase in by-product credits as a result of higher molybdenum market prices and a decrease in tolling charges, partly offset by an increase in on-site and shipping costs in the first nine months of 2010. On-site and shipping costs in the nine months ended 30 September 2010 were 100.0 cents, in line with budget, although higher than 2009 mainly due to higher energy costs and a stronger Chilean peso compared with the first nine months of 2009.

El Tesoro

Copper production at El Tesoro was 24,100 tonnes in Q3 compared with 22,900 tonnes in Q2. This increase reflects the increased production from the Run-of-Mine ("ROM") partially offset by the reduction in ore from the Tesoro North East pit. As previously announced, operations at the Tesoro North-East pit have been temporarily suspended to permit conduct of on-going geotechnical studies to ensure the safety of certain walls of that open pit. Cumulative production of 71,400 tonnes during the first nine months of the year was 8.3% higher than the same period in 2009 reflecting the incorporation of the ROM oxide leaching project which has contributed 13,500 tonnes of cathode production in 2010.

Cash costs for Q3 were 190.2 cents per pound compared with 159.8 cents per pound in the previous quarter. This increase was mainly due to the suspension of operations at Tesoro North East pit, which has a relatively high grade, with this lost mill feed replaced by lower grade stockpiles, as well as an increase in input costs.

Cash costs in the first nine months of the year were 161.3 cents per pound, a 42.2 cents per pound increase from the same period in 2009. This increase is mainly due to the stronger Chilean peso, higher fuel costs, and the impact of inventory movements on costs, due to the level of processing of stockpiled material previously held within inventory, including the processing of lower grade stockpiles during Q3 as explained above. These factors were partly offset by lower sulphuric acid prices. Given the higher cost level currently being experienced, the full year forecast for cash costs is now approximately 168 cents per pound.

In September 2010 El Tesoro signed a five-year US\$300 million corporate loan facility to fund the intragroup purchase of the Mirador oxides from Antofagasta Minerals S.A. As previously announced the inclusion of the Mirador oxides into El Tesoro's mine plan is expected to increase El Tesoro's cathode production between 2012 to 2014 to approximately 100,000 tonnes, reducing cash costs and extending the life of the operation from 2019 to 2022.

Michilla

Michilla produced 10,400 tonnes of copper in Q3, achieving 29,900 tonnes during the first nine months of the year, which was ahead of budget, although slightly below the same period of 2009.

Cash costs for Q3 of 189.4 cents per pound were in line with the 188.6 cents per pound in the previous quarter.

Cash costs were 183.6 cents per pound in the first nine months of the year in line with previously issued guidance, although a 33.0 cents per pound increase compared to the same period in 2009. The increase was due to the reopening of the Lince open pit, a stronger Chilean peso and the higher cost of ore purchased from ENAMI partly offset by the lower sulphuric acid cost.

Projects and exploration

The ramp up of Esperanza is expected to commence during November 2010 and the first shipment of copper concentrate is expected by the end of the year. Overall construction was 95% complete at the end of September.

At Reko Diq, the feasibility study is complete and a copy has been delivered to the Government of Balochistan, partners in the project, in accordance with the terms of the joint venture agreement. The environmental and social impact assessment study is also being finalised. Discussions with the relevant authorities in Pakistan are continuing on matters including a mineral agreement.

In September 2010 the Group entered into an agreement with Monax Mining Limited ("Monax") in respect of its Punt Hill copper-gold project in South Australia. The Group has the right to earn a 51% interest in the deposit over a four year period by funding US\$4 million of exploration activities, with a minimum commitment of

US\$1.5 million. Antofagasta will have the right to increase further its interest in the Punt Hill project to 70% by funding a further US\$5 million of exploration and development activities.

As previously announced, on 21 July 2010 the Group signed a definitive Participation and Limited Liability Agreement with Duluth Metals Limited to acquire a 40% stake in the project company, Twin Metals Minnesota LLC ("Twin Metals") by providing US\$130 million of funding over a three year period to advance the project to a bankable feasibility study. During September 2010 Twin Metals appointed a Board of Directors and Technical Committee including the appointment of Juan Andrés Morel as CEO, who was formerly the general manager of El Tesoro.

Commodity prices and exchange rates

The LME copper price averaged 328.5 cents per pound in Q3 2010, compared with 318.1 cents per pound in Q2 2010. The LME spot copper price at 30 September 2010 was 365.3 cents per pound (330 June 2010 – 295.5 cents per pound).

The market molybdenum price averaged US\$15.0 per pound in Q3 2010, compared with US\$16.4 per pound in Q2 2010. The average market molybdenum price in September 2010 was US\$15.6 per pound (June 2010 - US\$14.6 per pound).

The realised copper and molybdenum prices which the Group will recognise for its sales in the first nine months of the year 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 three months from shipment date, for copper cathode sales approximately one month from shipment, and for molybdenum sales approximately two 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 when the Group reports its Q3 financial report on 25 November 2010.

The Chilean peso / US dollar exchange rate averaged Ch\$511.9 / US\$1 in Q3 2010, compared with Ch\$530.1 / US\$1 in Q2 2010. The average exchange rate for the first nine months of 2010 was Ch\$520.3 / US\$1. The exchange rate at 30 September 2010 was Ch\$483.7 / US\$1.

Transport

The transport division had a solid operational performance during the first nine months of the year. There was a 3.9% decrease in total rail tonnages carried compared with the first nine months of 2009 due to the net effect of changes in volumes from various customers, offset by a 31.2% increase in road tonnages.

Water

The water business performed well in the first nine months of the year. Volumes sold during this period increased by 3.6% in comparison with same period 2009, reaching 33.9 million cubic metres. This was principally due to a 5.9% increase in demand from domestic clients which offset a 1.7% decrease in demand from industrial customers.

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 since 30 June 2010.

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

Los Pelambres	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Production statistics							
Daily average ore treated ('000 tonnes)	137.9	174.3	169.9		160.8	129.6	129.2
Average ore grade (%)	0.78	0.76	0.77		0.77	0.74	0.74
Average recovery (%)	89.5	90.2	89.8		89.8	92.1	92.1
Concentrate produced ('000 tonnes)	244.6	322.0	317.1		883.7	718.8	951.1
Average concentrate grade (%)	35.3	33.8	34.1		34.4	33.6	33.9
Fine copper in concentrate ('000 tonnes)	86.4	106.1	110.0		302.5	239.8	322.6
Payable copper in concentrate ('000 tonnes)	83.5	102.5	106.2		292.3	231.7	311.6
Average moly ore grade (%)	0.019	0.021	0.017		0.019	0.020	0.020
Average moly recovery (%)	76.7	84.3	81.2		81.2	81.4	81.1
Payable moly ('000 tonnes)	1.8	2.7	2.2		6.7	5.8	7.8
Cash costs statistics							
On-site and shipping costs (cents per pound)	103.9	93.8	102.9		100.0	92.1	95.3
Tolling charges for concentrates (cents per pound)	18.2	16.7	18.6		17.8	19.5	19.2
By - product credits (cents per pound) ⁽¹⁾	(48.1)	(47.2)	(38.8)		(44.4)	(34.6)	(34.1)
Cash costs (cents per pound)	74.1	63.3	82.7		73.4	77.0	80.4

⁽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 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Daily average ore treated ⁽²⁾ ('000 tonnes)	24.2	25.9	26.9		25.7	27.5	26.2
Average ore grade ⁽²⁾ (%)	1.24	1.15	1.04		1.14	1.21	1.25
Average recovery ⁽²⁾ (%)	78.8	69.7	66.7		74.2	72.1	73.0
Copper cathodes from the heap-leach process ⁽²⁾ ('000 tonnes)	21.1	19.1	17.8		58.0	65.9	87.4
Copper cathodes from ROM ('000 tonnes)	3.3	3.8	6.3		13.5	-	2.8
Total copper cathodes ('000 tonnes)	24.4	22.9	24.1		71.4	65.9	90.2
Cash costs (cents per pound)	134.3	159.8	190.2		161.3	119.1	123.4

⁽²⁾ The average daily throughput, ore grade and recovery figures, relate to the heap leach process and do not include amounts relating to the ROM material.

Michilla	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Daily average ore treated ('000 tonnes)	13.3	15.0	14.0		14.1	15.0	15.1
Average ore grade (%)	1.04	0.94	1.06		1.01	0.97	0.96
Average recovery (%)	77.9	75.6	78.9		77.5	77.9	77.5
Copper cathodes ('000 tonnes)	9.8	9.7	10.4		29.9	30.5	40.6
Cash costs (cents per pound)	172.3	188.6	189.4		183.6	150.5	157.6

Transport	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Rail tonnage transported (‘000 tons)⁽³⁾	1,505	1,537	1,526		4,568	4,751	6,335
Road tonnage transported (‘000 tons)⁽³⁾	492	490	431		1,413	1,077	1,505

⁽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 2010	Q2 2010	Q3 2010	Q4 2010	Acc 2010	Acc 2009	Full Year 2009
Water volume sold – potable and untreated (‘000 m³)⁽⁴⁾	11,349	11,397	11,164		33,910	32,736	43,736

⁽⁴⁾ Water volumes include water transportation of 185,000 m³ in Q1; 253,000 m³ in Q2 and 318,000 m³ in Q3 (343,000 m³ in Q1 2009; 302,000 m³ in Q2 2009 and 242,000 m³ in Q3 2009).