

31 October 2001

Highlights

- Group copper production reached 129,500 tonnes in Q3, a 27% increase over the previous quarter.
- Production in Q3 includes 14,700 tonnes from El Tesoro. During Q2 El Tesoro remained under development.
- Group average cash costs decreased by 7.7% to 36.0 cents per pound in Q3 compared to 39.0 cents in Q2.

Group Total	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Acc. 2001	Acc. 2000	Full Year 2000
Total copper production ('000 tonnes)	92.0	101.9	129.5		323.4	254.7	351.1
Weighted average cash costs (cents per pound)	43.2	39.0	36.0		39.0	38.8	39.2

Note – El Tesoro remained under development in Q2, and produced 9,000 tonnes of cathodes during this commissioning period. This production has not been included in the group figures relating to current operations for Q2.

Los Pelambres

Ore processing levels averaged 112,600 tonnes per day (tpd) during the quarter, an increase of 9.9% over Q2. This increase followed the installation of a temporary pebble crusher at the end of July, which improved the efficiency of the grinding lines.

During the first nine months of 2001 Los Pelambres produced 272,000 tonnes of payable copper in concentrates, an increase of 26% over the same period for 2000. This increase resulted from the improvements that were made to ore processing levels. The current optimisation plan will enable these levels to be maintained during the mine life.

Q3 cash costs were 32.4 cents per pound, an 8% decrease compared to the previous quarter. This was primarily due to higher production volumes but also to a lesser extent a lower waste to ore ratio during this period under the existing mine plan.

Michilla

Michilla produced 12,800 tonnes of cathodes during Q3, an increase of 4.5% over the previous quarter. The increase resulted both from improvements made in the leaching process and higher copper grades during the period.

Cash costs were 60.9 cents per pound, a 10% decrease on the previous quarter. This significant reduction came from a lower waste to ore ratio during the current phase of the mine plan. A medium term plan to reduce costs drastically in order to confront the current period of exceptionally low copper prices is now being evaluated.

El Tesoro

El Tesoro completed its commissioning period and both cathode production and recoveries have been within the expected parameters. Q3 production reached 14,700 tonnes compared to 9,000 tonnes during the commissioning period in Q2. Production at El Tesoro is expected to continue to increase steadily until the design capacity of the plant is reached.

Rail and Road Transport

Rail tonnages, which include both the Chilean and Bolivian networks, were 5% higher at 996,000 tons compared with the previous quarter. The FCAB has concluded a ten-year freight agreement with El Tesoro for the transport of 85,000 tons of cathodes and 180,000 tons of sulphuric acid during 2002. Additional Diesel-Electric locomotives were delivered during the quarter and will be available to meet an increased demand expected in 2002.

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Los Pelambres	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Acc. 2001	Acc. 2000	Full Year 2000
Daily average ore treated ('000 tonnes)	98.5	102.5	112.6		104.6	88.8	93.1
Average ore grade (%)	1.04	1.10	1.07		1.07	1.00	0.98
Average recovery (%)	91.6	91.3	92.0		91.7	92.5	92.4
Concentrate produced ('000 tonnes)	194.6	209.1	236.3		640.1	509.2	714.5
Average concentrate grade (%)	42.8	44.3	44.6		44.0	43.8	43.3
Fine copper in concentrate ('000 tonnes)	83.2	92.6	105.4		281.3	223.1	309.5
Payable copper in concentrate ('000 tonnes)	80.5	89.6	101.9		272.0	215.5	298.9
Cash costs (cents per pound)	39.2	35.1	32.4		35.3	35.0	35.6

El Tesoro	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Acc. 2001	Acc. 2000	Full Year 2000
Daily average ore treated ('000 tonnes)	-	-	15.1		15.1	-	-
Average ore grade (%)	-	-	1.43		1.43	-	-
Average recovery (%)	-	-	77.8		77.8	-	-
Copper cathodes ('000 tonnes)	-	-	14.7		14.7	-	-
Cash costs (cents per pound)	-	-	39.4		39.4	-	-

Note – El Tesoro remained under development in Q2, and produced 9,000 tonnes of cathodes during this commissioning period. This production has not been included in the table above for Q2.

Quarterly Production Report

3rd quarter 2001

Michilla	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Acc. 2001	Acc. 2000	Full Year 2000
Daily average ore treated ('000 tonnes)	11.6	12.2	12.5		12.1	11.8	11.8
Average ore grade (%)	1.53	1.48	1.51		1.50	1.69	1.67
Average recovery (%)	72.4	74.4	75.3		74.1	72.8	72.6
Copper cathodes ('000 tonnes)	11.5	12.3	12.8		36.7	38.1	51.1
Copper in concentrate ('000 tonnes)	-	-			-	1.1	1.1
Cash costs (cents per pound)	71.6	67.4	60.9		66.4	59.7	59.8
Transport	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Acc. 2001	Acc. 2000	Full Year 2000
Rail tonnage transported	905	949	996		2,850	2,877	3,856