

BELIEF IN SUSTAINABILITY

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Antofagasta plc has recently experienced significant growth and expansion. How does the Group incorporate the issue of sustainability in its development?

The Group integrates the concept of sustainability in both future projects and existing operations, ensuring that through good management practice our aim of sustainable growth is implemented and carried out.

Our aim is to create better economic, social and environmental conditions in the regions in which we carry out our activities. We believe that the development

of Antofagasta's businesses in a responsible manner contributes to the growth and creation of value for society as a whole.

What are the Group's main challenges in order to continue successful development in the future?

To understand the Group's challenges, one must first understand the context in which we are developing. Our current operations – including mining, transportation, and water – are located in Chile, but we have also begun to look at other countries, especially in relation to mining opportunities.

Our listing on the London Stock Exchange (LSE) with its good reputation for sustainability reporting sets a very high standard for us in compliance and disclosure, which we welcome.

In the local Chilean environment, the consumption of energy and water presents significant challenges for the Group. As a mining company, one of our sustainability priorities is to ensure that we have sufficient mineral resources. To that end, we have been placing more emphasis on exploration activities to identify new deposits and to develop new business opportunities.



How, according to the current situation, is sustainability seen from the energy perspective?

As other mining companies have done, the Group has been acquiring back-up capacity in anticipation of possible energy rationing in 2008 as the two grids, one in the north and the other serving central Chile and the south, could face shortages. In addition to this we have also been implementing internal energy-efficiency measures for some years now, including the use of clean technologies.

Are alternative energies within Antofagasta plc's plans?

The search for effective technological solutions which allow us to ensure the profitability and sustainability of our businesses in a manner respectful of the environment fits absolutely within our vision of sustainable development.

We have begun initial exploratory efforts in

geothermal energy and have acquired an exploration concession south of Santiago. In early 2008 we also signed a memorandum of understanding with Empresa Nacional de Petroleo, a company with significant experience in geothermal exploration. We have also begun exploring opportunities in electricity generation through wind or solar power in our mining districts where we can take advantage in particular of the high level of sun exposure in northern Chile.

What were the highlights of the year 2007?

Undoubtedly the biggest milestone in 2007 was the completion of the feasibility study for the Esperanza project and its approval by the Board; the project will require an investment of US\$1.9 billion. In addition, we submitted an Environmental Impact Assessment and decided to include a partner in the development of the Sierra Gorda mining district. This resulted in an agreement in 2008 with

Marubeni Corporation, whereby it would acquire 30% of Minera El Tesoro and Minera Esperanza, including both the current Esperanza project and the neighbouring Telégrafo deposit. We expect this transaction to close in the third quarter of 2008.

During 2007 we completed an extensive drilling programme at Reko Diq in Pakistan with very positive results which led us to begin a feasibility study in early 2008.

What is the Group's vision, from a perspective of sustainability, of the development of activities outside Chile?

As a Group, we are always looking for potential mineral resources around the world. Currently, the resources of greatest interest tend to be found in countries without a history of mining. This means that we need to focus not only on significant effort in exploration, but also on raising awareness of mining development

among local communities, enabling them to understand what is involved and what opportunities it can bring. Our vision is to contribute to these communities through our presence there, with mining development being

a catalyst for progress and improved quality of life while at the same time protecting the environment.

“Our vision of sustainable development involves the search for effective technological solutions which allow us to ensure the profitability and sustainability of our businesses in a manner respectful of the environment.”