

NEWS RELEASE, 29 JANUARY, 2014

## Q4 2013 PRODUCTION REPORT

### Record copper production for 2013

Antofagasta Minerals CEO Diego Hernandez said: “I’m pleased to announce a record year of copper production supported by strong production performance in Q4 which helped ensure that we achieved our production and cash cost guidance for the year. 2013 has been a challenging year in which we experienced an increase in costs across a number of our operations as well as weaker commodity prices. This year we remain focused on controlling our cost base whilst achieving the most from our operations”.

#### HIGHLIGHTS

##### PRODUCTION

- Record year of copper production of 721,200 tonnes
- Group copper production in Q4 2013 was 182,900 tonnes, a 4.9% increase compared with the previous quarter as a result of strong performance across all the operations
- Group gold production was 63,300 ounces in Q4 2013, a 6.4% decrease on Q3 as a result of lower gold production at Esperanza
- 2013 full year gold production was 293,800 ounces compared with 299,900 ounces in 2012, reflecting lower production at Esperanza in 2013 due to lower grade, partially offset by higher throughput
- Molybdenum production at Los Pelambres was 9,000 tonnes in 2013 compared with 12,200 tonnes in 2012 due to particularly high molybdenum grades in the prior year

##### CASH COSTS

- Cash costs before by-product credits were in line with expectations at \$1.82/lb in Q4 2013, \$0.02/lb lower than the previous quarter
- Net cash costs were \$1.47/lb in Q4 2013, in line with Q3
- Cash costs before by-product credits in 2013 were \$1.79/lb, compared with \$1.63/lb in 2012. This 9.8% increase was mainly due to higher mine movement costs at Esperanza and higher energy prices at Los Pelambres
- Group net cash costs for the full year 2013 were slightly ahead of expectations at \$1.36/lb compared with \$1.03/lb in 2012. In addition to the reasons above, by-product credits were impacted by lower production and realised prices of molybdenum and gold

##### 2014 GUIDANCE

- Group production in 2014 is expected to be approximately 700,000 tonnes of copper, 270,000 ounces of gold and 7,500 tonnes of molybdenum
- Group cash costs before by-product credits in 2014 are expected to remain stable at \$1.80/lb, while net cash costs are expected to be \$1.45/lb, similar to H2 2013

GROUP PRODUCTION AND CASH COSTS		2013			FY		
		Q4	Q3	%	2013	2012	%
Copper production	kt	<b>182.9</b>	174.2	4.9	<b>721.2</b>	709.6	1.6
Gold production	koz	<b>63.3</b>	67.6	(6.4)	<b>293.8</b>	299.9	(2.0)
Molybdenum production	kt	<b>2.3</b>	2.0	12.9	<b>9.0</b>	12.2	(26.3)
Cash costs before by-product credits	\$/lb	<b>1.82</b>	1.84	(1.3)	<b>1.79</b>	1.63	10.0
Net cash costs	\$/lb	<b>1.47</b>	1.47	-	<b>1.36</b>	1.03	32.2

## MINING OPERATIONS

### Los Pelambres

Los Pelambres produced 101,900 tonnes of copper in Q4 2013 compared with 99,700 tonnes in Q3 due to a 5.0% increase in plant throughput to 181,400 tonnes per day in Q4 as a result of processing ore with a lower hardness and achieving higher plant operational efficiencies, partially offset by a decrease in grade and recoveries.

Copper production in 2013 was 405,300 tonnes compared with 403,700 tonnes in 2012, primarily due to higher ore grades partially offset by lower throughput at the plant.

Molybdenum production increased to 2,300 tonnes between Q3 and Q4 2013, primarily due to higher grades, as well as the higher plant throughput. Molybdenum production in 2013 was 9,000 tonnes due to mining a lower molybdenum grade phase of the pit during the year.

Net cash costs were \$0.07/lb lower at \$1.10/lb in Q4 2013 compared with the previous quarter as a result of stable cash costs before by-product credits and an increase in by-product credits primarily reflecting the higher molybdenum production.

Cash costs before by-product credits in 2013 were \$1.52/lb compared with \$1.39/lb in 2012 principally due to the \$0.12/lb impact of the expiration of a favourably priced energy contract in 2012 resulting in exposure to the higher spot market prices during 2013.

Net cash costs for the 2013 full year were \$1.16/lb, 34.9% above last year's reflecting the impact of the increase in the energy cost as well as lower by-product credits due to lower molybdenum production and lower realised prices for molybdenum and gold.

LOS PELAMBRES		2013			FY		
		Q4	Q3	%	2013	2012	%
Daily ore throughput	kt	<b>181.4</b>	172.7	5.0	<b>177.2</b>	180.3	(1.7)
Copper grade	%	<b>0.70</b>	0.71	(1.4)	<b>0.72</b>	0.70	2.9
Copper recovery	%	<b>90.5</b>	91.5	(1.1)	<b>90.0</b>	90.3	(0.3)
Copper production	kt	<b>101.9</b>	99.7	2.2	<b>405.3</b>	403.7	0.4
Copper sales	kt	<b>108.3</b>	110.7	(2.2)	<b>414.0</b>	396.9	4.3
Molybdenum grade	%	<b>0.016</b>	0.014	14.3	<b>0.016</b>	0.023	(30.4)
Molybdenum recovery	%	<b>86.7</b>	85.1	1.8	<b>82.8</b>	81.5	1.6
Molybdenum production	kt	<b>2.3</b>	2.0	15.0	<b>9.0</b>	12.2	(26.2)
Molybdenum sales	kt	<b>2.6</b>	1.9	36.8	<b>8.8</b>	12.6	(30.2)
Gold production and sales	koz	<b>15.8</b>	16.6	(4.8)	<b>56.7</b>	51.5	10.1
Cash costs before by-product credits*	\$/lb	<b>1.46</b>	1.48	(1.4)	<b>1.52</b>	1.39	9.4
Net cash costs	\$/lb	<b>1.10</b>	1.17	(6.0)	<b>1.16</b>	0.86	34.9

\* Includes tolling charges of \$0.17/lb in both Q4 2013 and FY 2013

## Esperanza

Esperanza produced 43,700 tonnes of copper in Q4 2013, a 6.6% increase compared with the previous quarter, primarily due to the increase in copper grade following the resumption of normal mining activities in the pit following localised geotechnical issues in Q3 that impeded access to a higher grade zone of the pit.

Copper production in the full year 2013 was 174,900 tonnes compared with 163,200 tonnes in 2012 reflecting the improved performance of the operation with a 7.5% increase in throughput to 87,200 tonnes per day, partially offset by the lower grade of ore processed.

Gold production was 47,500 ounces in Q4 2013, 6.9% lower than in the previous quarter mainly as a result of marginally lower grades and throughput. Production for the full year was 237,100 ounces compared with 248,400 ounces in 2012 principally due to the 14.3% decrease in grade, partially offset by the higher daily throughput.

Cash costs before by-product credits were lower at \$2.52/lb in Q4 compared with \$2.73/lb in the previous quarter as copper production increased. This decrease was not carried through fully to net cash costs as by-product credits fell by \$0.15/lb during the quarter as both gold production and realised prices were lower.

Cash costs before by-product credits in 2013 rose to \$2.36/lb compared with \$1.94/lb in 2012. This increase was principally due to higher mine movement costs as new phases of the pit were developed and the use of higher cost stockpiles. Net cash costs rose from \$0.66/lb in 2012 to \$1.43/lb in 2013 as a result of the increase in cash costs before by-product credits explained above and a decrease in by-product credits reflecting the impact of lower gold prices and to a lesser extent, lower gold production.

ESPERANZA		2013			FY		
		Q4	Q3	%	2013	2012	%
Daily ore throughput	kt	<b>86.7</b>	88.4	(1.9)	<b>87.2</b>	81.1	7.5
Copper grade	%	<b>0.61</b>	0.54	13.0	<b>0.64</b>	0.67	(4.5)
Copper recovery	%	<b>86.0</b>	83.6	2.9	<b>87.3</b>	87.7	(0.5)
Copper production	kt	<b>43.7</b>	41.0	6.6	<b>174.9</b>	163.2	7.2
Copper sales	kt	<b>43.0</b>	47.0	(8.5)	<b>168.2</b>	163.0	3.2
Gold grade	g/t	<b>0.25</b>	0.26	(3.8)	<b>0.30</b>	0.35	(14.3)
Gold recovery	%	<b>69.1</b>	68.9	0.3	<b>78.1</b>	77.4	0.9
Gold production	koz	<b>47.5</b>	51.0	(6.9)	<b>237.1</b>	248.4	(4.6)
Gold sales	koz	<b>49.3</b>	60.6	(17.0)	<b>226.0</b>	248.6	(8.7)
Cash costs before by-product credits*	\$/lb	<b>2.52</b>	2.73	(7.7)	<b>2.36</b>	1.94	21.6
Net cash costs	\$/lb	<b>1.88</b>	1.94	(3.1)	<b>1.43</b>	0.66	116.7

\* Includes tolling charges of \$0.21/lb in Q4 2013 and \$0.20/lb in FY 2013

## El Tesoro

El Tesoro produced 26,100 tonnes of copper in Q4 compared to 24,800 tonnes in Q3 largely as a result of higher plant throughput, partially offset by the decrease in ore grade as mining activity ceased at the higher grade Mirador pit and production resumed at the lower grade Tesoro North-East (TNE) and Tesoro Central (TC) mines.

Production in 2013 was 102,600 tonnes compared with 105,000 tonnes in 2012. This expected fall in production was mainly due to the decline in grade, partially offset by higher throughput and higher recoveries.

Cash costs increased \$0.27/lb to \$1.60/lb between Q3 and Q4 reflecting the lower grade and higher acid consumption of the ore from TNE and TC compared to Mirador. Cash costs in 2013 were \$1.36/lb, 8.7% lower than in 2012 reflecting the lower cost of acid during 2013 and favourable inventory movements.

EL TESORO		2013			FY		
		Q4	Q3	%	2013	2012	%
Daily ore throughput	kt	<b>25.0</b>	20.4	26.5	21.3	19.9	7.0
Copper grade	%	<b>1.32</b>	1.43	(7.7)	1.52	1.72	(11.6)
Copper recovery	%	<b>76.4</b>	80.5	(5.1)	78.2	75.5	3.6
Copper production – heap leach	kt	<b>23.8</b>	22.6	5.3	94.0	94.3	(0.3)
Copper production - total *	kt	<b>26.1</b>	24.8	5.2	102.6	105.0	(2.3)
Copper sales	kt	<b>26.8</b>	25.4	5.5	101.6	105.9	(4.1)
Cash costs	\$/lb	<b>1.60</b>	1.33	20.3	1.36	1.49	(8.7)

\* Includes production from ROM material

## Michilla

Michilla produced 11,000 tonnes of copper in Q4 compared to 8,700 tonnes in Q3 primarily as a result of higher throughput at the plant and an increase in production from secondary leaching. Production in 2013 full year was 38,300 tonnes, 1.6% higher than in 2012 also reflecting the increase in production from secondary leaching. Copper production from the heap leach operation decreased by 3.9% due to a decline in grade, partially offset by improved throughput and recoveries.

Cash costs decreased to \$2.89/lb in Q4 compared with \$3.32/lb in the previous quarter primarily reflecting the impact of the higher production on a steady cost base and a decrease in the level of higher cost third party ore. Cash costs for 2013 remained at a similar level to 2012, increasing by 1.3% to \$3.22/lb.

MICHILLA		2013			FY		
		Q4	Q3	%	2013	2012	%
Daily ore throughput	kt	<b>13.2</b>	11.1	18.4	<b>12.0</b>	11.5	4.3
Copper grade	%	<b>0.94</b>	0.93	1.1	<b>0.92</b>	1.05	(12.4)
Copper recovery	%	<b>79.4</b>	78.5	1.1	<b>77.9</b>	74.2	5.0
Copper production – heap leach	kt	<b>9.2</b>	7.2	27.8	<b>31.8</b>	33.1	(3.9)
Copper production - total *	kt	<b>11.0</b>	8.7	26.4	<b>38.3</b>	37.7	1.6
Copper sales	kt	<b>12.2</b>	7.8	55.4	<b>38.4</b>	37.4	2.7
Cash costs	\$/lb	<b>2.89</b>	3.32	(13.0)	<b>3.22</b>	3.18	1.3

\* Includes production from secondary leaching

## Project update

The construction of Antucoya remains on time and on budget with 60% total progress (design, procurement and physical progress) and 32% construction progress as at 31 December 2013.

## 2014 Guidance

		Los Pelambres	Esperanza	El Tesoro	Michilla	Group
<b>Production</b>						
Copper	kt	390.0	170.0	95.0	45.0	<b>700.0</b>
Gold	koz	55.0	215.0	-	-	<b>270.0</b>
Molybdenum	kt	7.5	-	-	-	<b>7.5</b>
<b>Grade</b>						
Copper	%	0.69	0.65	1.14	1.10	-
<b>Cash costs</b>						
Cash costs before by-product credits	\$/lb	1.55	2.25	1.70	2.40	<b>1.80</b>
Net cash costs *	\$/lb	1.25	1.45	1.70	2.40	<b>1.45</b>

\* Includes by-product credits at an average gold price of \$1,200/oz and a molybdenum price of \$9.5/lb

Group production is expected to remain at a similar level to 2013 at 700,000 tonnes of copper, 270,000 ounces of gold and 7,500 tonnes of molybdenum.

Group cash costs before by-product credits are also expected to remain stable at \$1.80/lb in 2014 compared with \$1.79/lb in the 2013.

Production is expected to be weighted towards H2 as a result of lower grades in H1 compared to H2. As a result H1 is expected to have higher cash costs than H2.

## Commodity prices and exchange rates

		2013			FY		
		Q4	Q3	%	2013	2012	%
<b>Copper</b>							
Market price	\$/lb	<b>3.25</b>	3.21	1.3	<b>3.32</b>	3.61	(8.0)
Realised price	\$/lb	<b>3.31</b>	3.45	(4.1)	<b>3.28</b>	3.66	(10.4)
<b>Gold</b>							
Market price	\$/oz	<b>1,274</b>	1,326	(3.9)	<b>1,410</b>	1,669	(15.5)
Realised price	\$/oz	<b>1,210</b>	1,319	(8.3)	<b>1,358</b>	1,675	(18.9)
<b>Molybdenum</b>							
Market price	\$/lb	<b>9.6</b>	9.4	2.1	<b>10.3</b>	12.7	(18.9)
Realised price	\$/lb	<b>9.8</b>	8.4	16.7	<b>10.0</b>	11.9	(16.0)
<b>Exchange rates</b>							
Chilean peso	per \$	<b>516</b>	507	1.8	<b>495</b>	487	1.6

The spot commodity prices for copper, gold and molybdenum as at 31 December 2013 were \$3.35/lb, \$1,202/oz and \$9.7/lb respectively compared with \$3.59/lb, \$1,664/oz and \$11.6/lb as at 31 December 2012.

The provisional pricing adjustments and hedging effects for 2013 full year for copper, gold and molybdenum were negative \$101.8m, negative \$30.2m and negative \$15.5m respectively.

## Transport and water

Total volumes transported by the transport division were 1.9 million tonnes in Q4 2013, in line with the previous quarter. Total volumes in 2013 were 7.4 million tonnes, a 3.5% decrease versus 2012.

The water division sold 13.1 million cubic metres in Q4 2013, 4.0% more than in the previous quarter. Total volumes in 2013 were 51.3 million cubic metres, slightly ahead of 2012.

		2013			FY		
		Q4	Q3	%	2013	2012	%
<b>Total tonnage transported</b>	kt	<b>1,871</b>	1,851	1.1	<b>7,413</b>	7,680	(3.5)
<b>Water volumes sold</b>	million m <sup>3</sup>	<b>13.1</b>	12.6	4.0	<b>51.3</b>	50.8	1.0

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### Investors – London

Andrew Lindsay      alindsay@antofagasta.co.uk  
 Clare wood            cwood@antofagasta.co.uk  
 Telephone              +44 20 7808 0988

### Investors – Santiago

Alejandro Rivera      arivera@aminerals.cl  
 Telephone              +56 2 2798 7000

### Media (Brunswick)

Carole Cable            antofagasta@brunswickgroup.com  
 Robin Wrench          antofagasta@brunswickgroup.com  
 Telephone              +44 20 7404 5959

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