

31 July 2013

Highlights

- Group copper production in H1 2013 was 364,100 tonnes, an 8.4% increase on H1 2012, mainly due to higher plant throughput at Esperanza
- Group copper production was 180,300 tonnes in Q2 2013, a small decline from Q1 2013 due to lower production from Esperanza where the plant underwent scheduled maintenance, but largely offset by higher production at Los Pelambres and El Tesoro
- Group gold production in H1 2013 was 162,900 ounces, a 19.7% increase on H1 2012, primarily due to a significant increase in production at Esperanza partially off-set by a decrease in production at Los Pelambres
- Group gold production was 76,700 ounces in Q2 2013, down 11% from Q1 2013, primarily due to lower grades and throughput at Esperanza
- Group cash costs (before by-product credits) were \$1.80/lb in Q2 2013, 4.7% higher than the previous quarter, primarily due to higher energy costs at Los Pelambres. Net cash costs were \$1.37/lb in Q2 2013, 18.1% higher than Q1 2013 reflecting lower gold and molybdenum volumes and prices
- The Group remains on track to achieve the full year copper production of 700,000 tonnes as previously guided
- On 2 July 2013, the Group acquired a 40% interest in the Alto Maipo hydroelectric project, which will help secure future energy supply to Los Pelambres

Group Total	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Total production of payable copper ('000 tonnes)	183.8	180.3			364.1	336.0	709.6
Total production of payable gold ('000 ounces)	86.2	76.7			162.9	136.1	299.9
Total production of payable moly ('000 tonnes)	2.6	2.0			4.7	6.5	12.2
Weighted average cash costs before by-product credits (\$/lb)	1.72	1.80			1.76	1.61	1.63
Weighted average net cash costs (\$/lb)	1.16	1.37			1.26	0.99	1.03

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Mining operations

Los Pelambres

Production volumes	Q2 2013	Q1 2013	Var.	%	H1 2013	H1 2012	Var.	%
Payable copper in concentrate ('000 tonnes)	102.5	101.2	1.3	1.3	203.6	197.2	6.4	3.2
Payable moly ('000 tonnes)	2.0	2.6	(0.6)	(23.1)	4.7	6.5	(1.8)	(27.7)
Payable gold ('000 ounces)	12.5	11.8	0.7	5.9	24.3	26.3	(2.0)	(7.6)

Los Pelambres produced 102,500 tonnes of payable copper in Q2 2013 compared with 101,200 tonnes in Q1 when plant throughput was lower due to major planned maintenance. The increase in copper production to 203,600 tonnes in the first half of 2013 compared with 197,200 tonnes in H1 2012 was mainly due to increases in grade and plant throughput. Shipments of payable copper in the first half of 2013 were 8,600 tonnes lower than production due to a delayed shipment, which was subsequently shipped in July.

Molybdenum production decreased to 2,000 tonnes in Q2 2013 compared with 2,600 tonnes in Q1 when production included inventories accumulated in the previous period. In line with expectations, molybdenum production decreased by 27.7% to 4,700 tonnes in H1 2013 compared with the first half of 2012, mainly reflecting a decrease in grade from 0.023% to 0.016%.

Gold production was 12,500 ounces in Q2 2013 compared with 11,800 ounces in the previous quarter. Gold production was 24,300 ounces in the first half of 2013 compared with 26,300 ounces in the first half of 2012.

Net cash costs were \$1.30c/lb in Q2 2013 compared with \$1.07/lb in the previous quarter. This increase was primarily due to higher on-site and shipping costs and lower by-product credits. By-product credits decreased from \$0.43/lb in Q1 2013 to \$0.35/lb in Q2 2013, mainly due to lower molybdenum production and market prices. On-site and shipping costs increased \$0.14/lb in Q2 compared with Q1 as energy prices increased during the winter months.

Net cash costs for the first half of 2013 were \$1.19/lb, compared with \$0.77/lb in the first half of 2012. This increase in costs was primarily due to lower by-product credits and higher energy costs. Some \$0.21/lb of the change arose from a decrease in by-product credits due to lower production and market prices of both molybdenum and gold. The \$0.20/lb increase in on site and shipping costs was primarily attributable to higher energy costs resulting from the movement to spot prices following expiry of the long-term energy contracts at the end of 2012.

Esperanza

Production volumes	Q2 2013	Q1 2013	Var.	%	H1 2013	H1 2012	Var.	%
Payable copper in concentrate ('000 tonnes)	42.2	47.9	(5.7)	(11.9)	90.1	68.2	21.9	32.1
Payable gold ('000 ounces)	64.2	74.4	(10.2)	(13.7)	138.6	109.8	28.8	26.2

Esperanza produced 42,200 tonnes of payable copper in Q2 2013, an 11.9% decrease compared with 47,900 tonnes in the previous quarter. Scheduled major plant maintenance during Q2 caused a 10.2% decrease in the average plant throughput from 91,400 tonnes per day in Q1 2013 to 82,100 tonnes per day in the current quarter. Production in the first half of 2013 was 90,100 tonnes, 21,900 tonnes higher than in the first half of 2012 due to higher plant throughput levels as well as higher grade ore. Shipments of payable copper in the first half of 2013 were 78,200 tonnes, 11,900 tonnes lower than production as a result of increased inventory at the port, which will be shipped in Q3.

Gold production was 64,200 ounces in Q2, 13.7% lower than in the previous quarter, primarily due to the decrease in average plant throughput and, to a lesser extent, lower gold grades. Production in the first half of 2013 was 138,600 ounces compared with 109,800 ounces in the first half of 2012 as a result of higher plant throughput and higher recoveries. Shipments of payable gold in the first half of 2013 were 116,100 ounces, 22,500 ounces lower than production as a result of inventory movements.

Net cash costs were \$1.14/lb in Q2 compared with \$0.85/lb in the previous quarter, primarily due to lower gold by-product credits as a result of lower production volumes and weaker gold prices.

Net cash costs for the first half of 2013 were \$0.99/lb, compared with \$0.60/lb in the first half of 2012. This increase in costs was due to lower by-product credits and higher on-site and shipping costs. The \$0.19/lb decrease in by-product credits was due to the lower realised gold prices and a lower ratio of gold to copper production in H1 2013 compared with H1 2012. The \$0.18/lb increase in on-site and shipping costs was due to the consumption of higher cost inventories and higher mine movement costs.

El Tesoro

Production volumes	Q2 2013	Q1 2013	Var.	%	H1 2013	H1 2012	Var.	%
Total copper cathodes ('000 tonnes)	26.4	25.4	1.0	3.9	51.8	52.7	(0.9)	(1.7)

El Tesoro achieved production of 26,400 tonnes in Q2, a 3.9% increase compared with 25,400 tonnes in the previous quarter. This marginal increase was primarily due to higher plant throughput partially offset by the processing of lower grade ore, as a result of a reduction in ore feed from the higher grade Mirador pit. Production was 51,800 tonnes in the first half of 2013 compared with production of 52,700 tonnes in the first half of 2012 due to lower cathode production from the ROM, marginally offset by higher production from the heap-leach operation.

Cash costs were \$1.26/lb in Q2, in line with Q1. Cash costs for the first half of 2013 were \$1.26/lb compared with \$1.57/lb in the first half of 2012 mainly due to lower consumption of acid and the impact of inventory movements.

Michilla

Production volumes	Q2 2013	Q1 2013	Var.	%	H1 2013	H1 2012	Var.	%
Total copper cathodes ('000 tonnes)	9.3	9.3	-	-	18.6	18.0	0.6	3.3

Michilla produced 9,300 tonnes of copper in Q2, the same as in Q1. Production was 18,600 tonnes in the first half of 2013 compared with 18,000 tonnes in H1 2012. This increase was due to higher throughput from both the company's own operations and from third parties, partly offset by the impact of a reduction in the grade of the ore feed from third parties.

Cash costs in Q2 were \$3.43/lb compared with \$3.30/lb in the previous quarter reflecting the impact of a one-off payment in the quarter.

Projects and exploration

Antucoya

Work on the Antucoya project is progressing, with over 30% of the overall project (engineering, procurement and construction) complete at 30 June 2013.

Energy projects

On 2 July 2013 the Group announced that it had acquired a 40% interest in the Alto Maipo hydroelectric project. Alto Maipo will develop, construct, own and operate two run-of river hydroelectric power stations located in the upper section of the Maipo River, approximately 50 kilometres to the southeast of Santiago, with a total installed capacity of 531MW. As part of this transaction, the Group also signed two 20-year power purchase agreements (PPAs) that will secure the provision of energy to Los Pelambres operations for up to 160MW, with the first PPA starting in 2015 and the second in 2018. Some 60% of the total cost will be debt financed with the Group's share of the equity expected to be some \$300 million.

Exploration agreements

During the quarter the Group entered into a joint venture agreement with Lara Exploration Limited in respect of the Sami Gold-Copper Project in southern Peru. In July 2013 the Group formed a strategic alliance with Riverside Resources Inc. for copper exploration in Eastern Sonora, Mexico.

Commodity prices and exchange rates

The realised copper, molybdenum and gold prices which the Group will recognise for its sales in the year will differ from the average market prices as sales are generally accounted for on the basis of provisional pricing at the time of shipment, with final pricing based on the average market price for the month in which settlement takes place. Additionally, under IFRS open sales are marked-to-market at the end of each period.

The LME copper price averaged \$3.24/lb in Q2 2013, compared with \$3.60/lb in Q1 2013. The LME copper price in H1 2013 averaged \$3.42/lb, compared with \$3.67/lb in H1 2012. The LME spot copper price at the end of Q2 2013 was \$3.06/lb. The provisional pricing and hedging adjustments with respect to copper sales have resulted in a total negative provisional pricing adjustment of \$221.8 million for H1 2013 and an average realised price of \$3.15/lb.

The market gold price averaged \$1,415 per ounce in Q2 2013, compared with \$1,632 per ounce in Q1 2013. The market gold price in H1 2013 averaged \$1,524 per ounce, compared with \$1,651 per ounce in H1 2012. The spot gold price at the end of Q2 2012 was \$1,198 per ounce. The provisional pricing adjustments with respect to gold sales are estimated to result in a total negative provisional pricing adjustment of \$19.4 million for H1 2013 and an average realised price of \$1,447 per ounce.

The market molybdenum price averaged \$10.9/lb in Q2 2013, compared with \$11.4/lb in Q1 2013. The market molybdenum price in H1 2013 averaged \$11.1/lb, compared with \$14.0/lb in H1 2012. The average market molybdenum price in June 2013 was \$10.6/lb. The provisional pricing and hedging adjustments with respect to molybdenum sales have resulted in a total negative provisional pricing adjustment of \$7.0 million for H1 2013 and an average realised price of \$10.8/lb.

The Chilean peso / US dollar exchange rate averaged Ch\$484 / \$1 in Q2 2013, compared with Ch\$473 / \$1 in Q1 2013. The Chilean peso / US dollar exchange rate averaged Ch\$479 / \$1 in H1 2013, compared with Ch\$493 / \$1 in H1 2012. The exchange rate at 28 June 2013 was Ch\$504 / \$1.

Transport

The transport division maintained a solid operational performance in Q2 2013 with total volumes transported of 1.9 million tonnes, a 3.3% increase on Q1 2013. Total volumes for the first half of 2013 were 3.7 million tonnes compared with 3.9 million tonnes in the first half of 2012.

Water

The water business continued to perform well, with Q2 2013 volumes of 12.7 million cubic metres compared with 13.0 million cubic metres in the previous quarter. Total volumes for the first half of 2013 were 25.7 million cubic metres, a similar level to H1 2012.

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

Los Pelambres	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Production statistics							
Daily average ore treated ('000 tonnes)	176.2	178.4			177.4	175.5	176.6
Average copper ore grade (%)	0.74	0.73			0.74	0.71	0.74
Average copper recovery (%)	88.6	89.7			89.1	90.3	89.7
Payable copper in concentrate - production volumes ('000 tonnes)	101.2	102.5			203.6	197.2	411.8
Payable copper in concentrate - sales volumes ('000 tonnes)	102.8	92.2			195.0	191.0	396.9
Average moly ore grade (%)	0.016	0.016			0.016	0.023	0.019
Average moly recovery (%)	80.0	79.8			79.9	83.1	82.3
Payable moly - production volumes ('000 tonnes)	2.6	2.0			4.7	6.5	9.9
Payable moly - sales volumes ('000 tonnes)	2.2	2.1			4.3	6.8	12.6
Payable gold - production and sales volumes ('000 ounces)	11.8	12.5			24.3	26.3	51.5
Cash costs statistics							
On-site and shipping costs (\$/lb)	1.34	1.48			1.41	1.21	1.23
Tolling charges for concentrates (\$/lb)	0.17	0.17			0.17	0.16	0.16
Cash costs before by-product credits (\$/lb)	1.50	1.65			1.58	1.37	1.39
By - product credits (\$/lb) ⁽¹⁾	(0.43)	(0.35)			(0.39)	(0.60)	(0.53)
Net cash costs (\$/lb)	1.07	1.30			1.19	0.77	0.86

⁽¹⁾ By-products credits do not include any costs attributable to the production of molybdenum concentrate.

Esperanza		Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Production statistics								
Daily average ore treated ('000 tonnes)		91.4	82.1			86.7	75.1	81.1
Average copper ore grade (%)		0.70	0.70			0.70	0.62	0.67
Average copper recovery (%)		88.9	90.0			89.4	86.4	87.7
Payable copper in concentrate – production volumes ('000 tonnes)		47.9	42.2			90.1	68.2	163.2
Payable copper in concentrate – sales volumes ('000 tonnes)		41.0	37.2			78.2	59.8	163.0
Average gold ore grade (g/t)		0.36	0.35			0.35	0.36	0.35
Average gold recovery (%)		84.0	85.6			84.8	73.0	77.4
Payable gold – production volumes ('000 ounces)		74.4	64.2			138.6	109.8	248.4
Payable gold – sales volumes ('000 ounces)		63.0	53.1			116.1	101.2	248.6
Cash costs statistics								
On-site and shipping costs (\$/lb)		1.91	1.94			1.92	1.74	1.76
Tolling charges for concentrates (\$/lb)		0.19	0.20			0.20	0.18	0.18
Cash costs before by-product credits (\$/lb)		2.10	2.14			2.12	1.92	1.94
By - product credits (\$/lb)		(1.24)	(1.00)			(1.13)	(1.32)	(1.28)
Net cash costs (\$/lb)		0.85	1.14			0.99	0.60	0.66

El Tesoro	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Daily average ore treated ⁽²⁾ (‘000 tonnes)	17.3	20.5			18.9	20.6	19.9
Average ore grade ⁽²⁾ (%)	1.82	1.63			1.72	1.66	1.72
Average recovery ⁽²⁾ (%)	79.1	77.2			78.1	74.2	75.5
Copper cathodes from the heap-leach process ⁽²⁾ (‘000 tonnes)	23.3	24.3			47.6	46.8	94.3
Copper cathodes from ROM (‘000 tonnes)	2.1	2.1			4.2	6.0	10.7
Total copper cathodes - production volumes (‘000 tonnes)	25.4	26.4			51.8	52.7	105.0
Total copper cathodes - sales volumes (‘000 tonnes)	19.5	29.9			49.4	53.3	105.9
Cash costs (\$/lb)	1.27	1.26			1.26	1.57	1.49

⁽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 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Daily average ore treated (‘000 tonnes)	11.1	12.1			11.7	10.9	11.5
Average ore grade (%)	0.92	0.91			0.92	1.12	1.05
Average recovery (%)	76.0	77.3			76.6	73.9	74.2
Copper cathodes from the heap-leach process (‘000 tonnes)	7.7	7.8			15.5	16.6	33.1
Copper cathodes from secondary leaching of spent ore (‘000 tonnes)	1.6	1.5			3.1	1.3	4.5
Total copper cathodes – production volumes (‘000 tonnes)	9.3	9.3			18.6	18.0	37.7
Total copper cathodes – sales volumes (‘000 tonnes)	6.7	11.8			18.5	18.1	37.4
Cash costs (\$/lb)	3.30	3.43			3.36	3.14	3.18

Transport	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Rail tonnage transported (‘000 tonnes) ⁽³⁾	1,463	1,542			3,005	3,028	6,137
Road tonnage transported (‘000 tonnes) ⁽³⁾	353	333			686	822	1,543
Total tonnage transported (‘000 tonnes) ⁽³⁾	1,816	1,875			3,691	3,850	7,680

⁽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 that 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 that are carried by rail and by road are included in both the rail and road volumes shown above.

Water	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Acc 2013	Acc 2012	FY 2012
Water volume sold – potable and untreated (million m³)	13.0	12.7			25.7	25.7	50.8