

1 May, 2013

## Highlights

- Group copper production was 183,800 tonnes in Q1 2013, in line with our expectations. This represents a 12.8% increase on production in Q1 2012 mainly due to higher plant throughput at Esperanza. The 5.2% decrease in copper production compared with Q4 2012 is mainly due to the expected lower production at Los Pelambres as a result of major scheduled plant maintenance.
- Molybdenum production at Los Pelambres was 2,600 tonnes in Q1 2013 as expected, compared to 2,700 tonnes in Q4 2012.
- Gold production was 86,200 ounces in Q1 2013, marginally below the 86,400 ounces produced in Q4 2012.
- Group cash costs (net of by-product credits) in Q1 were 115.5 cents per pound, a 1.8% increase compared with Q4 2012 mainly due to increased cash costs at Los Pelambres, partially offset by lower cash costs at Esperanza.
- Group cash costs (before by-product credits) in Q1 were 171.7 cents, in line with Q4 2012 cash costs of 171.6 cents per pound.
- The Group remains on track for production forecasts for 2013 full year as previously guided.

Group Total	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
Total production of payable copper ('000 tonnes)	193.8	183.8				162.9	709.6
Total production of payable moly ('000 tonnes)	2.7	2.6				3.1	12.2
Total production of payable gold ('000 ounces)	86.4	86.2				63.5	299.9
Weighted average cash costs before by-product credits (cents per pound)	171.6	171.7				163.6	162.8
Weighted average cash costs (cents per pound)	113.5	115.5				98.1	103.0

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## Mining operations

### *Los Pelambres*

Los Pelambres produced 101,200 tonnes of payable copper in Q1 2013 compared with 107,700 tonnes in Q4 2012. Scheduled major plant maintenance during March caused a 7.4% decrease in plant throughput that was partially offset by higher ore grades.

Molybdenum production decreased to 2,600 tonnes in Q1 compared with 2,700 tonnes in Q4 mainly due to lower grades and lower plant throughput partially offset by consumption of in-process inventories accumulated at the year-end. Gold sales were 11,800 ounces in Q1 compared with 12,600 ounces in the previous quarter.

Cash costs were 107.3 cents per pound in Q1 compared with 98.9 cents per pound in the previous quarter, an increase of 8.4 cents. Los Pelambres entered into a new energy contract in January 2013 based on the spot price which is higher than the price paid under the previous contract. These higher energy costs and the impact of lower production on unit costs, partly offset by a reduction in overhead costs, contributed to a 4.5 cent per pound increase in on-site and shipping costs. The lower molybdenum volumes were largely responsible for a 2.4 cent per pound decrease in by-product credits.

### *Esperanza*

Esperanza produced 47,900 tonnes of payable copper in Q1, compared with 49,400 tonnes in the previous quarter, despite higher throughput and grades, due to in-process inventory movements. The average plant throughput was 91,400 tonnes per day in Q1 compared with 89,200 tonnes per day in the previous quarter reflecting the stable throughput that has been achieved through the on-going works to optimise the plant. Esperanza is continuing to make modifications to reach the original design capacity of 97,000 tonnes per day.

Gold production was 74,400 ounces in Q1, marginally ahead of the prior quarter due to higher grade and recoveries.

Cash costs were 85.4 cents per pound in Q1 compared with 92.6 cents per pound in the previous quarter. This was due to a 12.8 cent per pound decrease in on-site and shipping costs which was partially offset by a 4.4 cent per pound decrease in by-product credits and a 1.3 cent per pound increase in tolling charges. This decrease in on-site costs was principally due to lower maintenance costs following significant maintenance work in Q4 2012. The lower by-product credit was due to lower realised gold prices partially offset by an increase in gold volumes.

### *El Tesoro*

El Tesoro produced 25,400 tonnes of payable copper in Q1 compared with 26,800 tonnes in Q4 mainly due to a decrease in plant throughput as a result of maintenance work at the primary crusher, and slightly lower grades, partially offset by an increase in recoveries. Shipments of payable copper in Q1 were 19,500 tonnes, 5,900 tonnes lower than production as a result of strikes at the Antofagasta and Mejillones ports, which have since ended. The accumulated copper cathodes were shipped in April.

Cash costs were 126.6 cents per pound in Q1, a 4.2% decrease compared with 132.1 cents per pound in Q4. This decrease was mainly due to lower input costs and ore stockpile movements.

### *Michilla*

Michilla produced 9,300 tonnes of copper in Q1 compared with 9,800 tonnes in Q4. Lower throughput and ore grades resulted in production from the heap leach contributing 7,700 tonnes in Q1 compared with 8,300 tonnes in Q4. Shipments of payable copper in Q1 were 6,700 tonnes, 2,600 tonnes lower than production as a result of strikes at the Antofagasta and Mejillones ports, as explained above. The accumulated copper cathodes were shipped in April.

Cash costs in Q1 were 329.7 cents per pound, in line with Q4 2012 cash costs of 329.0 cents per pound.

## Projects and exploration

### *Antucoya*

As announced on 27 March 2013, Minera Antucoya's shareholder council, which functions as the Board of Directors, decided to resume development of the Antucoya project. This decision followed completion of a full review of the project announced on 21 December 2012, which included the renegotiation of the principal construction contracts for the project, additional detailed engineering and the completion of an updated resource model following further drilling.

### *Exploration earn-in agreements*

The Group has continued with its strategy of entering into early-stage exploration agreements with junior companies. On 19 April 2013 the Group entered into a joint venture agreement with Encounter Resources Limited with the purpose of conducting mineral exploration work on the Yeneena project in Western Australia. On 18 March 2013, the Group terminated its earn-in agreement with Manica Minerals Ltd in Namibia.

## Commodity prices and exchange rates

The realised copper, molybdenum and gold prices which the Group will recognise for its sales in the year 2013 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 359.8 cents per pound in Q1 2013, compared with 358.7 cents per pound in Q4 2012 and 376.9 cents per pound in Q1 2012. The LME spot copper price at the end of Q1 2013 was 343.9 cents per pound. The provisional pricing and hedging adjustments with respect to copper sales have resulted in a total negative provisional pricing adjustment of US\$78.9 million for Q1 2013 and an average realised price of 341.1 cents per pound.

The market molybdenum price averaged US\$11.4 per pound in Q1 2013, compared with US\$11.2 per pound in Q4 2012. The average price in March 2013 was US\$10.9 per pound. The provisional pricing adjustments with respect to molybdenum sales have resulted in a total negative provisional pricing adjustment of US\$4.8 million for Q1 2013 and an average realised price of US\$11.1 per pound.

The market gold price averaged US\$1,632 per ounce in Q1 2013, compared with US\$1,721 per ounce in Q4 2012. The spot gold price at the end of Q1 2013 was US\$1,600 per pound. The provisional pricing adjustments with respect to gold sales have resulted in a total negative provisional pricing adjustment of US\$4.1 million for Q1 2013 and an average realised price of US\$1,588 per ounce.

The Chilean peso / US dollar exchange rate averaged Ch\$472.5/ US\$1 in Q1 2013, compared with Ch\$477.6/ US\$1 in Q4 2012. The exchange rate at 28 March 2013 was Ch\$472.5/ US\$1.

## Transport

The transport division continued its solid operational performance in Q1 with total volumes transported of 1.8 million tonnes, slightly lower than in Q4.

## Water

The water business continued to perform strongly, with Q1 volumes of 13.0 million cubic metres, compared with 12.8 million cubic metres in the previous quarter.

## 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 material events or transactions, or significant changes to the financial position and performance of the Group, since the start of the financial year.

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

Los Pelambres	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
<b>Production Statistics</b>							
Daily average ore treated ('000 tonnes)	190.3	176.2				171.5	180.3
Copper concentrate produced ('000 tonnes)	338.2	299.9				298.5	1,271.4
Average copper ore grade (%)	0.71	0.74				0.71	0.70
Average copper recovery (%)	89.7	88.6				89.6	90.3
Payable copper in concentrate - production volumes ('000 tonnes)	107.7	101.2				95.9	403.7
Payable copper in concentrate - sales volumes ('000 tonnes)	108.7	102.8				92.5	396.9
Average moly ore grade (%)	0.023	0.016				0.024	0.023
Average moly recovery (%)	77.6	80.0				81.6	81.5
Payable moly - production volumes ('000 tonnes)	2.7	2.6				3.1	12.2
Payable moly - sales volumes ('000 tonnes)	2.8	2.2				2.9	12.6
Payable gold - production volumes ('000 ounces)	12.6	11.8				11.9	51.5
Payable gold - sales volumes ('000 ounces)	12.6	11.8				11.9	51.5
<b>Cash costs statistics</b>							
On-site and shipping costs (cents per pound)	129.0	133.5				125.1	123.4
Tolling charges for concentrates ('000 tonnes)	15.3	16.8				15.9	15.8
Cash costs before by-product credits (cents per pound)	144.3	150.3				141.0	139.2
By - product credits (cents per pound)	(45.4)	(43.0)				(65.4)	(53.2)
Cash costs (cents per pound)	98.9	107.3				75.6	85.9

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

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Q1 2013

Esperanza	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
<b>Production statistics</b>							
Daily average ore treated ('000 tonnes)	89.2	91.4				70.4	81.1
Copper concentrate produced ('000 tonnes)	193.8	199.6				137.7	694.3
Average copper ore grade (%)	0.68	0.70				0.60	0.67
Average copper recovery (%)	88.9	88.9				85.6	87.7
Payable copper in concentrate - production volumes ('000 tonnes)	49.4	47.9				30.5	163.2
Payable copper in concentrate - sales volumes ('000 tonnes)	58.2	41.0				30.0	163.0
Average gold ore grade (g/t)	0.34	0.36				0.39	0.35
Average gold recovery (%)	80.9	84.0				70.4	77.4
Payable gold - production volumes ('000 ounces)	73.8	74.4				51.7	248.4
Payable gold - sales volumes ('000 ounces)	84.8	63.0				51.5	248.6
<b>Cash costs statistics</b>							
On-site and shipping costs (cents per pound)	203.4	190.6				189.4	176.4
Tolling charges for concentrates (cents per pound)	18.0	19.3				16.7	17.8
Cash costs before by-product credits (cents per pound)	221.4	209.9				206.1	194.2
By - product credits (cents per pound)	(128.8)	(124.4)				(144.4)	(128.3)
Cash costs (cents per pound)	92.6	85.4				61.7	65.9

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Q1 2013

El Tesoro	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
Daily average ore treated <sup>(2)</sup> ('000 tonnes)	19.3	17.3				22.5	19.9
Average ore grade <sup>(2)</sup> (%)	1.84	1.82				1.59	1.72
Average recovery <sup>(2)</sup> (%)	76.9	79.1				74.4	75.5
Copper cathodes from the heap-leach process <sup>(2)</sup> ('000 tonnes)	24.4	23.3				24.7	94.3
Copper cathodes from ROM ('000 tonnes)	2.4	2.1				3.5	10.7
Total copper cathodes - production volumes ('000 tonnes)	26.8	25.4				28.2	105.0
Total copper cathodes - sales volumes ('000 tonnes)	31.3	19.5				27.8	105.9
Cash costs (cents per pound)	132.1	126.6				147.8	149.3

<sup>(2)</sup> 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	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
Daily average ore treated ('000 tonnes)	13.0	11.2				11.3	11.5
Average ore grade (%)	0.94	0.92				0.99	1.05
Average recovery (%)	75.7	76.0				76.4	74.2
Copper cathodes from the heap-leach process ('000 tonnes)	8.3	7.7				7.9	33.1
Copper cathodes from secondary leaching of spent ore ('000 tonnes)	1.5	1.6				0.3	4.5
Total Copper Cathodes - production volumes ('000 tonnes)	9.8	9.3				8.3	37.7
Total Copper Cathodes - sales volumes ('000 tonnes)	9.8	6.7				8.4	37.4
Cash costs (cents per pound)	329.0	329.7				323.2	318.3

Quarterly Production Report  
Q1 2013

Transport	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
<b>Rail tonnage transported ('000 tonnes) <sup>(3)</sup></b>	<b>1,593</b>	<b>1,463</b>				<b>1,490</b>	<b>6,137</b>
<b>Road tonnage transported ('000 tonnes) <sup>(3)</sup></b>	<b>359</b>	<b>353</b>				<b>442</b>	<b>1,543</b>

<sup>(3)</sup> 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	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2012	Full Year 2012
<b>Water volume sold – potable &amp; untreated ('000 m<sup>3</sup>)</b>	<b>12,841</b>	<b>12,973</b>				<b>12,960</b>	<b>50,794</b>